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**ADDRESSES, LETTERS AND PAPERS**  
**of**  
**JOHN CHRISTOPH BLUCHER**  
**EHRINGHAUS**




ADDRESSES, LETTERS AND PAPERS  
of  
JOHN CHRISTOPH BLUCHER  
EHRINGHAUS  
GOVERNOR OF NORTH CAROLINA  
1933-1937

*Edited by*  
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J. P. B. Blumhans

## FOREWORD

In publishing this volume of messages to the General Assembly, proclamations, public addresses, statements, and interviews for the press, letters, and appointments the same general method and procedure used in the publication of the letter books of Governors Bickett, Morrison, McLean, Gardner, and Hoey has been used. In January, 1937, when Governor Ehringhaus' term expired his official correspondence and papers were placed in the archives of the State Department of Archives and History. The material contained in this volume was taken from these official papers.

In compiling this volume only the governor's public papers and letters have been used. The material was ready for publication in 1940 and the Council of State in that year made available an allotment for its publication from the Contingency and Emergency Fund. Because of circumstances beyond the control of the editor, however, the volume was not published. During 1944 the funds allotted for this publication were used toward printing the letter book of Gov. Clyde Roark Hoey. In September, 1949, the State Department of Archives and History and the Council of State passed resolutions authorizing and directing the editor to proceed with the publication of the volume.

Governor Ehringhaus frequently spoke extemporaneously, which fact explains why in some instances the addresses are so short. In some instances the only available copy of an address was the stenographer's transcription which, of course, has been used in this volume. Governor Ehringhaus was a fluent speaker, but did not make as many addresses as some of the other governors.

In compiling the appointments an effort has been made to give the names, addresses, and terms of appointees on the several boards and commissions and to give the correct citations to the laws authorizing the appointments. It is believed that this is pertinent and valuable information and should be included in this volume.

The biographical sketch, "John Christoph Blucher Ehringhaus," was written by Mr. W. T. Bost at the request of Governor Ehringhaus.

The funds for printing have been provided by the Council of State as has been the custom in previous volumes.



The State Department of Archives and History authorized my services for the purpose of arranging the papers, writing the headings, compiling the index, and supervising the printing of the material.

Mrs. May Davis Hill, a temporary employee of the Division of Publications, has assisted in reading the proof and prepared the index. Mrs. J. C. B. Ehringhaus, Sr., and Mr. J. C. B. Ehringhaus, Jr., have furnished the illustrations and supplied much of the information for the legends.

In some instances I have found it necessary to change the capitalization, punctuation, phraseology, and sentence arrangement, but in all cases I have endeavored to retain the original meaning.

D. L. CORBITT.

RALEIGH, N. C.

SEPTEMBER 1, 1950



# JOHN CHRISTOPH BLUCHER EHRLINGHAUS<sup>1</sup>

By W. T. Bost

When J. C. B. Ehringhaus appeared at the June 1934 commencement of the University of North Carolina to receive his honorary Doctor of Laws degree, President Frank P. Graham read this citation:

John Christoph Blucher Ehringhaus, born in Elizabeth City in old Albemarle where was first cradled the English race in our Western World, in whose person Albemarle gives to North Carolina her first governor in a hundred years; honor graduate, A.B. and LL.B., University of North Carolina, lawyer of the first rank, local school committeeman, active churchman, solicitor of the first judicial district for twelve years, member of the North Carolina judicial conference, member of the State House of Representatives, and co-author of the bill establishing the East Carolina Teachers College. The bridge, which spaciouly spans the wide Chowan, and the understanding of Governor Ehringhaus, which spaciouly spans the whole State, have doubly restored the Albemarle to her North Carolina home.

Amid the scenes of these hills and woods familiar to his reminiscent eyes, he revealed and developed the character and powers which carried over from a leadership of our campus democracy into a leadership of the commonwealth. He stood for a fair price to the farmers, unorganized and defenseless in a world of organized power. In a time of closed banks, fear, and desperation, and against the heavy and continuous onslaughts upon our stricken schools, institutions, and agencies of the people, he stood at the gates of destruction, helped to save the foundations of the common life upon which to rebuild the structure of the State and the hopes of the people for a fairer chance for themselves and their children. *Alma Mater* rejoices in his clean life, honest mind, and joyous courage, her son and our Governor.

Historians well within their literary competence in judging university literature do not recall any ancient or modern doctorate of such brief but adequate eloquence. It is dangerous, if not fatal, to tamper with such a paper. Occasionally a Lincoln, a Wilson or an Alderman utters so sublimely that one feels the plagues of St. John the Divine should fall upon him who would undertake to add to or to take from those words. For when a Gettysburg address, a November 1923 armistice day message, or an ideal for a university issues from a master, every accretion must be a corruption, and every development a degeneracy. There isn't anything to be added to the Graham apostrophe to Ehringhaus.

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<sup>1</sup>This biographical sketch of Governor Ehringhaus was written about ten years ago, but it was not given to the editor until January 18, 1950, after the other material for the book had been placed in the hands of the printer for publication. There is nothing in the sketch to indicate that Governor Ehringhaus died in Raleigh, July 31, 1943.

But there again you run into the poet and the historian, both of whom have a habit of taking license. Emerson's embattled farmers here stood and fired the shot heard round the world. Assuming that they did stand and did shoot, we know now the shot was not heard half a mile away. Emerson merely turned the historical imagination upon those embattled farmers and the mercantile instinct of New England has seen to it that the world pays it for an audacious faith in mankind. North Carolina has paid a tragic price for having no poet and no historian to set this imagination, artist of the mind, on this State. The Graham tribute significantly fixes Mr. Ehringhaus in a role of recovering rather than discovering North Carolina.

In the outset it should be said that when Ehringhaus left the governorship in January 1937 he quit it completely. And he never has returned to it; never has he wished to do so. It often is said of him that he has been totally detached from North Carolina politics, but that isn't quite true. He attends state and national conventions, makes public speeches and deeply immerses himself in civic affairs. But he divested himself of his great office the day his term expired. In the publication of the governor's public letters and addresses, which is issued after the executive has left the Governor's office, he has not had the slightest interest in the book and if no such volume ever is issued, he of all North Carolinians would care the least. He very fervently wished to be governor four years, but not a minute more.

Being a good Episcopalian it places no needless burden of credulity on him to say that he gives full faith and credit to the Pauline preachment that "the powers that be are ordained of God." Both his predecessors and his successors have come in an orderly and apostolic line. But he never thought of himself as having laid hands on them. In one short word, J. C. B. Ehringhaus was "through" when Clyde R. Hoey took the oath of office.

But what of this Frank P. Graham appraisal? No ordinary man could have earned that superlative quality which lays a duty upon his chronicler to relate prophecy, fulfillment, fancy and history, for the Graham pronouncement was written when the days of the Governor's ministration were less than half accomplished. Here then we have a citizen of the college giving us a foregleam of the first gentleman of the commonwealth; a stripling of the Lost Colony of the Albemarle, giving hint in microcosm of what some day he should be in macrocosm. On the campus of Chapel Hill this university president who came after him found college

citizen Ehringhaus jibing perfectly with Governor Ehringhaus.

It is our wont to find between the academic and the pragmatic an impassable gulf. Theodore Roosevelt had an interminable supply of picturesque speech, but when he had exhausted invective on Woodrow Wilson Teddy would say: "Dr. Wilson is too academic." The university presidency and its previous college experience had to follow Wilson to the ends of the earth. He never recovered entirely from his college training. But it was a deep conviction with Ehringhaus that the schools made Wilson the great president that he was, and it is not a thing incredible that the Ehringhaus biographer should be finding in his undergraduate citizenship the kind of man to carry that life into the larger areas in which it was his destiny to live.

This domain was that field. It might give a bit of drama to imagine Ehringhaus on his way to Raleigh to take the oath of office. Outside Edenton a few miles he came to the Chowan River bridge. Just a few weeks before, he had completed his third campaign of the election year. He had closed his office and finished his business as an attorney. Before he could get to Raleigh and appear for his inauguration he must pay a toll of seventy-five cents. It is a wonder that he had it. Being a good citizen he paid the tribute money. Then it would have been in order for the newspapermen to fancy that he swore violently to abate that nuisance and to make it the first and greatest of his acts.

But he did not, and among the forty-six larger acts of his administration it is surprising to find that he lists as forty-four his exemption of tolls on all North Carolina bridges and the redemption of the Albemarle as just one of the incidents to the general democratization of the State. This can be explained in the light of the man's nature. Some men are born dramatic, some achieve drama, and some have it thrust upon them. That is Ehringhaus. The governor's office during his incumbency was no place for theatricalism.

That quality often found him at odds with gentlemen of the press whose professional lives of immediacy, externalism and noise clashed sharply with his own sense of proportion. When the reporters asked him to come and be photographed with Colonel Luke Lea, just paroled after the stipulated service in the State's prison, Governor Ehringhaus exploded. What he said might not fit perfectly into the Frank Graham citation as churchman, and it might fall somewhat short of Governor O. Max Gardner's estimate that "Ehringhaus is a good enough man to be rec-



tor of any church in North Carolina," but it was highly revealing of the man and his democratic ways. Colonel Lea had served notably in the first World War and for years had been the dominant man in Tennessee politics. All told, he was the most illustrious prisoner North Carolina has had, but in the State's penal institution he was just a good server who had earned his clemency and nothing more. "To put on a show," as the governor said, in awarding conditional liberty even to a former United States Senator and newspaper magnate, was abhorrent. And he expressed that feeling vehemently.

The English have a word used as yet little by us: "activism," which is meant to describe dynamic characters whose lives run more to work than to words. Most North Carolina governors have made their ascent by oratory. We think of Aycock over Turner, Glenn over Stedman, Kitchin and Craig over Horne, Bickett over Daughtridg, Morrison and Gardner over Page, and all down that speaking line, with McLean as the one modern exception. North Carolina governors are good speakers. But the Ehringhaus administration is going to be remembered longest for that English "activism." And the record begins, naturally, with the solid and undramatic restoration of the executive's full power of control over the budget, so as to insure its balance at the end of the year.

He began immediately, but the start was not easy. Cordially welcomed to the capital by James H. Pou, Raleigh's most illustrious lawyer and a strong Ehringhaus supporter, the Governor was warned by the barrister that the official functions to be performed would be in the nature of a receivership for an insolvent corporation instead of the chief magistracy of a great commonwealth.

The greeting had more of the qualities of grim truth than the dubious excellences of the wisecrack. Nearly 130 banks had failed in North Carolina and more than 5,000 in the Nation during the preceding four years, and the North Carolina commissioner of banks would not have guessed that the best institution in North Carolina could remain open longer than ninety days. The Elizabeth City lawyer who had longed to be governor of North Carolina had not considered the possibility of being a referee in bankruptcy. A state may fall victim to two kinds of bankruptcy, moral and financial. Governor Ehringhaus did not believe that North Carolina should become either sort of delinquent. He

declined to consider himself a master in chancery, or a chance in mastery.

Naturally the first act of a prudent man who has been set to manage a great business is to establish some equation between what comes in and what goes out. The technical term for that is budgeting. Whether North Carolina should or should not be in a receivership, Governor Ehringhaus said it should be on a budget. He had no word of censure for any predecessor, or for any legislature, but an end had come for bonds to pay deficits and to retire other bonds. He had expressed publicly and on sundry occasions his loathing for any and all forms of consumption or sales taxes, but he never uttered that abhorrence without coupling it with the condition that the essential services of North Carolina must not be impaired. Between the shortened schools, unpaid teachers, and disrupted transportation on the one hand, and the sales tax on the other, he did not hesitate to make instant choice. For by this time the entire support of North Carolina's school system had been laid upon the State. And North Carolina became the first in the sisterhood of states to assume full responsibility for the education of every child within its domain.

Mr. Ehringhaus followed the Democratic National Convention in Chicago in 1932 and noted its demand for such economy in government as would be reflected in at least a twenty-five per cent reduction in all governmental expenditures. He took the platform seriously and where it called for twenty-five per cent he cut to 32.13 per cent. There were hurts in all this, for the executive knew that few individuals or institutions had been beneficiary of any munificence. But the costs of government and its appropriations were greater than the revenues raised, and ever since he had read his Dickens he had known what happens to individuals or corporations when they spend more than they earn.

To make these drastic reductions the Governor had to exercise plenary powers and he began with the restoration of all those acts of executive control which would insure the maintenance of a balanced budget. That balance was achieved and exercised for each of the four fiscal years. The State had run in the red since 1931 at the rate of \$7,500,000 a year. It took no Einstein to calculate where that relativity would end.

For Ehringhaus himself, it had to end at his beginning. After restoring executive control insuring that balanced budget, he saw to it that land taxes throughout the State were reduced for an

average of  $33\frac{1}{3}$  per cent, or thirty-five cents on the \$100 valuation; he reorganized the Revenue Department in order to facilitate collections and modernize its machinery. There was an immediate reduction in losses from uncollected taxes, and in 1933 alone the elimination of bad check accounts and the collection of license B back taxes amounted to more than \$1,000,000.

He began his administration with approximately \$15,000,000 deficit, and closed it with a surplus of more than \$5,000,000.

He met every bond and debt obligation on time and in cash; went through his four years without borrowing, even temporarily, one cent in notes or other obligations.

He funded all outstanding deficit notes which were drawing the full six per cent interest and which were payable on demand. He funded these debts at a rate for the average of less than three per cent and gave the State its most advantageous trade in its history.

His administration reduced the principal on the net state debt approximately \$28,000,000, a sum greater in the aggregate than the total payments made in the State's entire history, prior to the year 1933.

He caused the State Literary Fund to be put on a sound basis and ended the practice of making additional loans to defaulting borrowers. He secured the postponement of tax foreclosures during the worst of the depression and saved thousands of homes and farms from sacrifice.

He established an eight months term in every school in the State, for every white, black, and red child, and North Carolina became the first commonwealth in the Nation to assume the full responsibility for public education. The rural schools became with this audacious act as near the equal of the city systems as physical conditions would allow them, and universally that rural system was acclaimed the best in the United States.

Superlatives are treacherous, but the State's guarantee of an eight months term kept open every city, town, rural and district school during the depression, the only ones in the forty-eight states able to run without some sort of interruption. North Carolina issued no script, but paid every teacher and employee throughout this period and paid in cash and on time.

The State established the rental system for school books and took in this legislation the first steps toward free textbooks. Through that system texts for the children were furnished at twenty to twenty-five per cent of their previous costs. Though

authorized by the legislation to borrow funds with which to buy these books and to institute the rental system, the books were paid for without borrowing the million dollars required for the systems.

The transportation system for the rural schools was greatly enlarged to include all rural children living as much as one mile from school, and the State put many new and modern busses into operation and extended this system until it became the largest in the United States.

He set up the state rural electrification program, caused a state-wide survey to be made, and had his North Carolina program under way far in advance of the Federal agency under which all state systems now operate.

He combined the prison and highway systems, put the multiplying prisoners to work, made the institution self-supporting and eliminated the regularly recurring deficit in its annual operations.

He inaugurated a modern and enlarged parole department, had the entire prison population surveyed, instituted a system of regular interval consideration of each prisoner's rights to parole without petitions being filed for clemency, and brought to remembrance the forgotten man of prison life.

He coördinated the parole activity with the welfare work of the State, thus insuring prompt notice and consideration of relief necessities for the prisoners' families.

He completely remodeled and modernized the Central Prison; established and equipped a modern hospital for the prisoners in that building, revolutionized most of the prison camps scattered throughout the State, projected and set aside the funds for a Woman's Prison which was later built, projected and provided funds for prison industries, enlarged the welfare department and took over the activities and personnel formerly functioning under the Federal Civil Works Administration.

His administration set up the commission to study the unemployment compensation needs and in 1935, ahead of the Congress, procured the passage of the Cherry act authorizing that commission to put the state system in coöperation with the Federal.

The Social Security program began under him, bringing the State in active harmony with the Federal agency and embracing all phases of it, except the old age and dependent children program which came in the succeeding administration. A few days



before his term ended, he called the General Assembly into special session to pass the present unemployment compensation act.

Without an extraordinary session he declared in 1933 a tobacco warehouse holiday, led the farmers into the voluntary crop control of 1934, and saw better prices for both years. He first carried to Washington in 1933 the plea for Federal assistance to the tobacco farmers, and following that came the first Triple A act. When the United States Supreme Court invalidated that legislation he refused to call his own General Assembly into special session to enact measures in which adjoining states would not participate.

He first carried to Washington the plight of the peanut and potato farmers and received Federal assistance for these crops. He purchased through the highway department lime deposits of the State to give farmers relief from the high prices paid for lime. He actively advocated and officially pushed the movement for soil conservation and elimination of erosion in the State.

He made certain that the University consolidation program of his predecessor should be carried out in completeness, with justice to State College, and strengthened this unit to enable it to perform its real purposes.

He enlarged the Labor Department and related its activities to its name. During this period the building codes were set up in North Carolina in full coöperation with the National Recovery Administration. In his 1935 message he advocated the ratification of the child labor amendment, but without that legislative sanction his revitalized labor department was able to achieve the substantial elimination of child labor from all North Carolina mills.

He reorganized the Utilities Commission, made universally acceptable appointments to its membership and set this department on a career of public favor which none of its antecedents ever had enjoyed. In his last biennium through sound fiscal operation and increasing revenues, he was able to persuade the General Assembly to make enlarged appropriations for schools, colleges, institutions and other agencies of the State.

With Federal aid he consummated a building program with particular emphasis upon the needs of Stonewall Jackson School, the state hospitals, Caswell Training School, and the Indian School at Pembroke.

He abolished all tolls on state highways and bridges, abating these nuisances at all exits and entrances of North Carolina,



thus making Manteo as accessible as Raleigh, and the symphonic drama, "The Lost Colony," famed throughout the United States. His administration constantly emphasized the oneness of his people, the unity of the State's great variety, and the necessity for considering all demands from all of the commonwealth's parts from a state-wide rather than a local viewpoint.

And finally, he laid the general groundwork for the progress, always steady and often rapid, which, with a sound fiscal policy and businesslike administration, North Carolina has made in its subsequent years.

J. C. B. Ehringhaus would not agree with Caroline Norton who esteemed as the happiest of women those who had no history. But it should be said for him that outside his official life the briefer his biography the greater his pleasure. For this introduction to his public letters and addresses primarily is a story of his four years in the executive office, and that incumbency was the author and the finisher of his faith.

He was born February 5, 1882, in Elizabeth City, the son of Erskine and Catherine Colville Matthews Ehringhaus. His mother died when he was 10, but his father survived to see his son through his administration. He attended the University of North Carolina. Due to be graduated in the class of 1902, he finished in three years with Phi Beta Kappa honors and received his bachelor of laws when most of his friends were getting their regular degrees. He had two terms in the General Assembly and became co-author of the bills creating East Carolina Teachers College and the present high school system. So, at twenty-three he was preparing for his school measures of 1933.

It is significant that he, his predecessor Oliver Max Gardner, and his friend, Franklin Delano Roosevelt, should have been born in the same year, within sixty days of each other, should have been governors concurrently, and should have had the same burdens of state. Roosevelt was born January 30, 1882, Ehringhaus six days later, and Gardner seven weeks later. It can be established historically that Gardner stimulated the Roosevelt campaign of 1932 and urged upon him constantly the adoption of the program which brought quick interruption to an all-pervading depression and panic that had dispirited the State and the Nation for four years. And best documented of all is the Roosevelt obligation to Ehringhaus for the leadership which he took in the rural electrification of the country.

Those two terms in the assemblies of 1905 and 1907 preceded his election as solicitor of the first North Carolina district. He served three full terms of four years each and in that experience gained the faith in juries which made him upset or alter their verdicts the fewest possible times during his term as governor. In 1912 he married Miss Matilda Bradford Haughton, the daughter of the Reverend Thomas Benbury Haughton and his wife Susan Lamb Haughton. To them were born two sons, John Christoph Blucher Ehringhaus, Jr., and Haughton Ehringhaus, and one daughter, Matilda Ehringhaus, now Mrs. James Telfair Coridon of Raleigh.

There is a superstition abroad in the State that Governor Ehringhaus, insulated in the East, came to the executive mansion as the peculiar beneficiary of the Gardner organization. In the light of the national acclaim which came to Oliver Max Gardner following his incumbency as the Ehringhaus predecessor, there is no taint to the title of governor, and Ehringhaus, as the stout champion of all Democratic records made by national and state officials, was Gardner's choice for the primaries and elections of 1932. No man defended with more skill and eloquence those Democratic records in toto, and none rebuked more the adversaries who did not. But Ehringhaus was no political accident. His campaign in 1928 for Alfred E. Smith as the Democratic candidate for President fixed the Ehringhaus position for 1932, and in all the State and Nation there was none more loyal. Everywhere he went in that distressful year he made friends for the national ticket and left the voters in the mood of friendliness.

In the beginning of this commentary the tribute of Dr. Frank P. Graham was quoted. That was the judgment of one man, phrased perfectly and designed to go into a permanent record in the archives of that institution.

At the close of the Ehringhaus administration two uncommon certificates of affection were given him. One of them was a handsome new automobile bought by partial friends who wished to show their affection in something utilitarian. It would be difficult to fancy any gift that went so directly to the spot as this motor-car which was to serve a man starting professional life anew and in another field of practice.

But something better than his Buick did descend upon him. It was a corporate valedictory to him from 76 fellow workers, beginning with the lieutenant governor and running through every state departmental head as signatory. It was addressed: "To

J. C. B. Ehringhaus—In Recognition of your service to the People of this Commonwealth during Your Administration as Governor of North Carolina.—You Came into Office while the Depression engulfed the State and Nation. Under your wise and courageous leadership, this State maintained its Sacred Honor and Preserved all the essential functions of Government. At the end of your term you retired from Office leaving the State in a sound financial condition and with a record of service unexcelled by any American state. Your high ideals, combined with practical statesmanship, entitle you to be remembered as one of North Carolina's outstanding public servants.

"We gratefully record here, for ourselves and every individual in the departments we represent, sincere affection and high esteem. We shall always cherish the privilege of having served with you and the close ties of friendship which were formed during your Administration." This scroll, signed by members of the Council of State, which is the governor's cabinet, the entire personnel of the Supreme Court, prison heads, hospital superintendents, college presidents, and party officials and beautifully set off by the Capitol on one side and the Executive Mansion on the other, is the all-high for the outgoing governor who would rest his fame on what his associates of their own volition said of him.

The spokesman for this group was Revenue Commissioner Allen J. Maxwell who ran in the primary of 1932 against Governor Ehringhaus. In an address to the Ehringhaus associates in the hall of the House of Representatives, Mr. Maxwell interpreted the Governor to the people in remarkable eloquence. He referred to the ninety-one banks which had failed in the State within two years, to the long legislatures, four and five months, seeking some way out, to the failing values of the State's securities, to the people of State and Nation who had no hope in their hearts.

"It was not a pleasing thing," Mr. Maxwell said, "to tell every man and woman in the employ of the State that he and she had to work for substantially less than an already reduced pay.

"It was not a pleasing thing to tell superintendents, principals, and teachers in the public schools that they had to work for substantially less than an already reduced pay.

"It was not a pleasant thing to tell all the people of North Carolina that they should, with all the balance of their depression troubles, submit to additional taxation.

"It required a high degree of courage to do these things at the time and under the circumstances under which they were done.



"Governor Ehringhaus had that courage—that confidence in the supreme patriotism of our people. It was the note of courage that was needed. It saved from collapse the credit of the State, and it saved essential public service that reaches every child and every home in the State from complete collapse. It relieved the strain on the treasuries of local governments. It relieved the strain of tax on property for public schools. It left unbroken the continuity of public service, in all its essential branches, and found us in condition, with returning prosperity, to re-invigorate public service, and in substantial part to restore remuneration of those in the service whose patriotism had been tested in the depression."

The Greeks had a word for it, and so did Mr. Maxwell. "As I have selected the word 'courage' as descriptive of his administration, let's consider a few other occasions of its exercise," the commissioner continued. Elsewhere in this estimate occur those "few other occasions," the closing of the warehouses when the price of tobacco went below the cost of production, when an angry multitude of the growers ineptly demanded that he call the legislature into another futile session, when he sorrowfully accepted the sales tax which he loathed, and when he added two full months to the school term of nearly one million children.

Other North Carolinians have reckoned one or another episode as the greatest in the history of North Carolina education. In the day of North Carolina's prosperity we have added the ninth month to our school year. The wise man made prosperity a sort of musical comedy, and they who had fortune were due to be joyful. But in the day of adversity he bade them "consider." So, North Carolina in the day of its increase did put twenty more days into its system, but North Carolina in the day of its decrease added forty days to its school year. Surely J. C. B. Ehringhaus must have considered deeply, and his conclusion was that North Carolina was too poor to take chances with illiteracy. What a contrast in statesmanship between him who took calamity for the time of greatest investment in education, and them who, like ravens hoarse from croaking disaster, asked the closing of the higher institutions for one and probably two years and the slashing of school appropriations from \$16,000,000 to \$10,000,000!

The reader may have observed by this time that Mr. Ehringhaus wished to be, has been, and no longer desires to be governor. Still there is no proper picture of him which does not say

something of him as a man. Public office has no license to depersonalize its incumbent and there should be further amplification of Dr. Frank P. Graham's praise, of the legislative historian's account, and of this hearty pronouncement of his fellow citizens. What sort of man is this Ehringhaus, anyway—this state official who caused college executives to write poetically about him, legislatures to labor furiously with him, and fellow servants affectionately to salute him?

We do a lot of loose talking about democracy, pushing it where it suits us and obstructing it when it gets in our way. Mighty few of us are democratic all over, but J. C. B. Ehringhaus is. His democracy does not stop at denying the aristocracy of persons; it negates also the aristocracy of events. In proof that being governor was "no bed of roses," he often quoted De Lawd in *Green Pastures*. A deadly democratic job Ehringhaus considered it, very deadly because he found out soon that many citizens have that feeling toward their chief man. Still he never felt that if infuriated citizens did kill their governor there was anything so important about that.

This became evident when newspapermen, hearing that he might be a first-rate prospect for mob murder, went out to State College stadium where 6,000 tobacco growers had congregated demanding a special session. And if they did not get it they could not guarantee his own good health; they might not be able to take care of his person.

To the utter astonishment of the scribes Ehringhaus seemed to see in the possible mobbing of himself no news whatever, and to the potential mobbers he appeared to have no fear at all. Repeating the censorious editorials of newspapers which asked him if he thought his own was superior to the assembled wisdom of the multitude, he replied that he did not; but the multitude had no obligation to act, and he did. He could neither delegate nor dodge that responsibility. As the state's constituted agent he would not summon that assembly, and there wasn't any further business for the meeting. The human race has elemental decencies and that stadium populace had changed completely within the space of that speech.

And then we learn something of persons in whatever estate we find them. St. Paul knew how to be abased and how to abound, how to be hungry and how to be filled. By the same token do we judge governors. If the presentation of that official scroll unduly

exalted him, you should see him on the state highways relaxing from a routine which daily beats upon our public officials.

Mr. Ehringhaus is going quietly, almost sleepily to some speaking engagement. Down the road screams the patrolman's siren. Motorists fall off the shoulders of the pavement and the motorcyclist waves from the turnpikes those remaining drivers who, as Moses, had not as yet turned aside to see this great sight. The governor stops his car and the John the Baptist returns to find out what has happened to his excellency. Nothing really has, but the highway patrolman has almost killed him with this treatment of his fellow citizens.<sup>1</sup> If it be true as the Good Book says that we are made perfect through suffering, J. C. B. Ehringhaus is due for a wonderful redemption through the torture endured behind the state highway patrol.

And that also goes to his democracy. The governor isn't an aristocrat, the official car isn't, and the state highways are not. Men, events and things all tend to promote the democratic process in the Ehringhaus philosophy, no matter where they are found. But once again, is he a regular guy? Really what sort of a man is this former governor of North Carolina?

He is many sorts, for few men of his or any other day have had so many gifts. The State's Big Social House was the peculiar beneficiary of those talents. If he tenanted the commonwealth's residence during many of its most discordant days, as surely he did, he carried into it a spiritual hospitality which is much more than a charming virtue. Nature gave him a musical voice, and Matilda Haughton Ehringhaus, the beautiful and gracious matron of the Mansion, brought from her family Norman Cordon, the Metropolitan Opera basso, the peer of the very best in the land. In those terrible thirties it was a rare experience to drop into the Mansion and hear Norman Cordon, the pal of Tibbett, of Kipnis, Melchior and Lily Pons, singing for sheer joy a program for which the musical mercenaries and misers received checks in four figures. The Governor's Mansion was a continuing concert hall in which all the Ehringhaus family sang and played. The Governor transported his own piano from Elizabeth City and it was his constant recourse against any temptation to turn from "the concord of sweet sounds" to a realm reputed to reek with "treason, stratagem and spoils."

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<sup>1</sup>Governor Ehringhaus refused to have a highway patrolman escort him on his many official trips over the State.



His democracy began with his family and in it one found both the theory and the practice. This man could not have been a better governor than a father and he would not take offense if it should be said of him that as grandfather he is best of all. He is precisely the sort of parent who can thank God when his own children like him. In that domestic democracy there is no imperium in imperio. He is father through no concert with God, but purely through seniority. And the children in that democracy are citizens who have full freedom and complete voting power. He has handicapped none of them by starting them off in debt to him. His own obligations to them abide long after the statute of limitation has begun to work in his favor.

And in days like these, isn't Blucher Ehringhaus a good sort of democrat to have around: one whose faith extends far beyond legislatures and congresses, courts and primaries, rule of majorities, and agitations by insurgencies? Democracy in essence is the belief that in the commonest of men there may be the uncommonest of powers, which, given opportunity's open door may astonish us with their accomplishments. Back of every item in that imposing array of great achievements, almost fifty of them, lay that Ehringhaus faith that whatever may be the weight of democracy, there always can be wings which will lift it. And who among the sons of North Carolina has opened a wider door to this commonwealth than J. C. B. Ehringhaus, who served his State without theatricalism in an era which was highly dramatic; who wrought reforms in the government without noisy ostentatiousness; who in the inflammatory moods of his people wisely led them "with a good degree of stillness," and in their depressed spirits brought them his own abounding hope?

Having said what sort of ancestral setting this Albemarle governor had, what kind of posterity he should have, and what stature in history he is sure to earn, something should be said of the sort of society which produced him and made him something more than a succession of happy flukes.

It is proper that he tell the world what he thinks of those Albemarle people, not while he is running for governor, but ten years after he had moved from among them. He is speaking before the North Carolina Society for the Preservation of Antiquities, and least of all fancying himself as one of those antiquities which should be preserved. He has uttered sometimes before a sublime appreciation of James Iredell, the elder, a great Revolutionary

leader of the Albemarle, and subsequently appointed associate justice of the Supreme Court of the United States.

"In this territory," Governor Ehringhaus says, "all patriots of Revolutionary times found firmly planted a hatred of tyranny and a tradition of independence which chimed well with their honor. In the overwhelming majority, these men of Albemarle, many of whom Inglis Fletcher has made to live again in her delightful historic novels, were Englishmen who came to America with a strongly developed sense of an Englishman's inherent rights. Among these were the right of representation, the right of a 'free Parliament,' and the 'right of revolution' when tyranny took the throne. These they never forgot and quite frequently voiced.

"It was in this territory that the first English colony was planted in America, and Virginia Dare the first child of English parents was born. It was here that the first Anglican service on American soil was held. It was here that as early as the Spring of 1665 the first assembly in North Carolina was held on the plantation of Captain Richard Sanderson, at Little River, in my own Pasquotank County, and gave voice, even thus early, to the independent sentiments of the little settlement here, which had already enterprised a pure democracy, 'the entire body of the inhabitants acting for themselves and not through the instrumentality of representatives.' It was here that under the Palatines the great experiment under Locke's Grand Model was ventured and discarded. It was here that early murmurings against the Navigation Acts and 'trade regulations' first took really definite form. These regulations had been imposed 'without their consent,' and the men of Albemarle were of no mind to stomach such impositions. In their Assembly of 1665, they boldly protested against the designation of Sir William Berkley—whose tyrannies in Virginia had come to their ears—as sole governor of the colony. And, here, under the leadership of George Durant and John Culpepper, they had staged in 1677 what is still known to history as 'Culpepper's Rebellion,' a rebellion against these foreign-imposed trade regulations, during which the Governor himself was seized and imprisoned by the patriots before a final adjustment was obtained. It was here that on December 3, 1677, the famous 'Remonstrances of the Inhabitants of Pasquotank' were adopted, in which citizens openly averred their reasons for



such revolutionary conduct to be "that thereby the country might have a free Parliament." "

Governor Ehringhaus listed a succession of Albemarle events leading directly to the more romanticized Edenton Tea Party, the Halifax Resolves and other very relevant episodes. He recalled the forcible expulsion of Miller and Sothel, nearly 100 years ahead of our Revolution. He noted the Cary Rebellion early in the 1700's, the Halifax "first open declaration of any one of the colonies on record." The delegates in these assemblies went on to Philadelphia for July 4, 1776. "It was here, too, that in 1765, with the coming of Governor Tryon and the inauguration of his long series of tyrannies, began the final chapter in the development of that revolutionary spirit which flamed unquenchably in North Carolina during the War for Independence."

And "here, too," the subject of this sketch pridefully admits that he was born. He does not regard his birth a cosmic, or even a social disturbance. But he is happy that it was in the Albemarle, the "ancient Albemarle." "Have you never been to Edenton?" he sings. "Then life still has something in store for you, and, let me warn, once you have indulged you are doomed to carry with you to the end the haunting memory of a place and a people who are different. Though severed by years and miles from the land of their forefathers, in tradition and inclination here is one 'spot that is forever England' in the best and revered sense of the phrase." He loves his North Carolina without big cities, even the Piedmont places, "bless their hearts, just big, overgrown country towns that have the hearts of agricultural, though they may carry the smell of an industrial civilization. But in Edenton, in Hertford, and in Elizabeth City, its neighbors, there is no pretense, no failure or unwillingness to recognize their country ways and heritage." The Governor, having done the State geographically, summons Bancroft to say that he "who doubts the capacity of a people for self-government, should study the history of North Carolina."

And having studied it, lived it and helped to make much of it, this Albemarle man's works take permanent form in the publication of his public letters and addresses. If it be asked why this sketch, which almost in toto was written nearly ten years ago, has been so long delayed for the volume, it should be first explained that Governor Ehringhaus never hurried to get himself in print. If he alone had been concerned, the book would not have

been assembled. He never has "pushed" the publication of the book.

The man who has prepared this summary always has been so conscious of his own affection for his subject as to fear what the years might do to his hero. Most public officials suffer more from the disproportions of their flatterers than from the deformations or the defamations of their calumniators. But many good years have come and gone. They seldom are unjust. The wait has convinced a very partial friend that he has written inadequately of a brave and gentle man who had keen eyes, a clear head and a pure heart for the momentous affairs of his day.

# CONTENTS

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	<i>Page</i>
FOREWORD .....	v
BIOGRAPHICAL SKETCH, JOHN CHRISTOPH BLUCHER EHRLINGHAUS.....	vii

## MESSAGES TO THE GENERAL ASSEMBLY:

### 1933

Inaugural Address .....	3
Budget Report .....	17
Revenue and Finance Bills Postponed .....	21
Sales Tax as an Emergency Measure .....	22
Economy Record .....	31

### 1935

Biennial Message .....	32
Budget Report .....	51
Legislative Bills Suggested for Consideration .....	55

### 1936

Social Security .....	58
-----------------------	----

## PROCLAMATIONS:

### 1933

Banking Holiday .....	65
Support the President .....	66
Banking Holiday Extended .....	67
Mothers' Day .....	67
Cotton Acreage Reduction Week .....	69
Appeal for Coöperation with President Toward Recovery .....	69
Tobacco Holiday .....	70
Tobacco Control .....	72
Thanksgiving Day .....	73
Tobacco Marketing Holiday .....	74

### 1934

Arbor Day .....	75
Mothers' Day .....	77
Better Housing Campaign .....	78
Fire Prevention Week .....	79
American Education Week .....	80

PROCLAMATIONS—*Continued*:*Page*

## 1935

Mothers' Day .....	81
Better Housing Day .....	81
Parent-Teacher Association Membership Campaign .....	82
Fire Prevention Week .....	83
One Hundredth Anniversary of Common Schools .....	84
American Education Week .....	85
Thanksgiving Day .....	86

## 1936

Fire Prevention Week .....	87
Thanksgiving Day .....	88

## ADDRESSES:

## 1933

Banking Situation Challenges our Courage .....	91
The Heart and Soul of North Carolina are Sound .....	92
Coöperation Between the Government and the Citizens .....	93
The Increased Responsibilities of the Schools .....	97
Patriotism for the State .....	101
North Carolina is Doing its Part .....	103
Tobacco Crop Limitation .....	104
Advancement of Negro Education .....	108
Plan and Prosper Campaign .....	111
James Buchanan Duke and his Idealism .....	120

## 1934

Loyalty .....	122
North Carolina's Financial Situation .....	124
Sound Financing of Educational Future of North Carolina .....	129
North Carolina's Financial Progress .....	131
Patriotism and the Flag .....	140
Budget Balancing and Property Taxation .....	146
Salutations to North Carolinians .....	151
North Carolina is a Great Business Enterprise .....	152
Criminal Law Enforcement .....	164
State Government at the Crossroads or Normal Functioning in Abnormal Times .....	169

## 1935

Labor Problems in North Carolina .....	176
North Carolina Labor Legislation .....	182

ADDRESSES—*Continued*:

*Page*

American Navy Gives Opportunity for Culture .....	191
North Carolina Moves Forward .....	193
North Carolina Makes Economic Adjustments .....	196

1936

Honest Thinking and Fair-Minded Discussion Needed in a Democracy .....	200
Intelligent Cooperation in Growing Crops Necessary .....	205
North Carolina's Educational Conditions .....	210
Tobacco Control and a Special Session of the Legislature .....	212
Tobacco Control .....	219
Jeffersonian Traditions and the New Deal .....	226
Tobacco Control Legislation .....	238
Tobacco Control Legislation .....	258
Introduction of President Roosevelt .....	268

STATEMENTS FOR THE PRESS:

1933

Committees Appointed to Represent the University of North Carolina .....	271
Appointment of Representatives on Inaugural Committee of Young People's Democratic Clubs .....	271
For the Yackety Yack .....	272
North Carolina Renews Obligations .....	272
Fine Spirit of State Employees Rewarded .....	274
Appointment of State Highway and Public Works Commission ..	274
Resignation of Henry Burke .....	275
Cotton Acreage Reduction Program .....	275
The Code for Industrial Recovery .....	276
North Carolinians Urged to Join in Effort to Break Strangle-Hold of New York Money Lenders .....	277
Budget Report .....	278
State Agencies Aid Red Cross in Relief .....	280
Appointment of A. S. Brower and J. W. Harrelson .....	280
Norfolk Southern Railroad ad Valorem Taxes .....	281
Resignation of Dr. Mercer C. Parrott .....	281
North Carolina Parent-Teacher Week .....	281
Appointment of Committee for Scenic Highway .....	282
Voting in the Election .....	282
Red Cross Roll Call .....	283
Sales Tax .....	284
Urges Tobacco Sign-Up .....	287
Season's Greetings to State Officers .....	288
Statement Concerning Highway Accidents .....	288

STATEMENTS FOR THE PRESS—*Continued*:*Page*

## 1934

Home Foreclosures .....	289
Reorganization of the Department of Revenue .....	289
Associate Utilities Commissioners Appointed .....	292
Sales Tax Collections .....	293
North Carolina is Solvent, Saving, Sane, and Sanguine .....	295
Building Code for North Carolina .....	296
Delegates to Street and Highway National Conference .....	297
Federal Funds for Teachers' Salaries .....	297
State to Acquire Wrightsville Beach Causeway .....	299
Potato Crisis .....	299
Appointment of a Committee to Study Unemployment Insurance..	300
Delighted over New Highway .....	301
Dr. Joseph Gregoire de Roulhac Hamilton to Represent State at Boonesboro Celebration .....	301
Statement on Strike Situation .....	302
Power of State Challenged .....	302
Reply to Mr. Lawrence's Telegram Unnecessary .....	303
Peaceful Picketing Defined .....	304
Interest in Relief to Potato Growers .....	304
Appointment of Delegates to the National Recreation Congress .....	305
Red Cross Roll Call .....	305
James Marion Parrott's Death .....	306
Efforts to Secure Lower Fertilizer Prices .....	306
New Year Greetings .....	307

## 1935

A. S. Brower Attends Code Meeting .....	308
Relief for North Carolina Fishermen .....	308
Conference Called to Study Bills to be Presented to the General Assembly .....	309
Emergency Compensation Insurance Fund for North Carolina ...	309
Election of Carl V. Reynolds .....	311
Continuation of NRA Codes .....	311
Luke Lea's Application for Clemency .....	312
No Commitments of Contingency and Emergency Funds .....	314
Franklin County Lynching .....	314
Paroles and Pardons .....	315
Text Book Purchase and Rental Commission to Carry out Legislative Intent .....	317
Resignation of Fred L. Seely Rumored .....	318
Death of Willis James Brogden .....	319
Appointment of Marshall T. Spears .....	319
Democratic Party Rally .....	320



STATEMENTS FOR THE PRESS—*Continued*:

Page

## 1936

Final Relief Grant to State Through FERA .....	320
Misunderstanding in Social Security Matter .....	321
Compact Control Act to Become Effective .....	322
Resolution of Steering Committee .....	323
Delegates to the Annual Convention of National Rivers and Harbors Congress .....	323
Army Day .....	324
Delegates to American Library Association .....	324
Reply to John H. Kerr .....	325
Reply to John H. Kerr on the Tobacco Control Bill .....	328
Urges Safe Driving .....	331
Not a Candidate for Political Office .....	332
Appointment of Frank M. Armstrong .....	332
Delegates to the Annual Conference of the National Tax Association .....	333
Adoption of Constitutional Amendments .....	333
North Carolina's Dreams .....	334
New Parole System .....	335
Survey of all Felons in Prison Institutions .....	336
Potato Acreage .....	336

## LETTERS AND TELEGRAMS:

## 1933

Edison, Charles, to Governor Ehringhaus, <i>Letter</i> .....	341
Ehringhaus, Governor, to Franklin D. Roosevelt, <i>Letter</i> .....	342
Ehringhaus, Governor, to H. L. Koontz, <i>Letter</i> .....	343
Roosevelt, Franklin D., to Governor Ehringhaus, <i>Letter</i> .....	345
Ehringhaus, Governor, to Stanley Winborne, <i>Letter</i> .....	345
Ehringhaus, Governor, to Henry A. Wallace, <i>Telegram</i> .....	347
Ehringhaus, Governor, to J. Y. Joyner, <i>Telegram</i> .....	347
Ehringhaus, Governor, to Ibra C. Blackwood, <i>Telegram</i> .....	348
Blackwood, I. C., to Governor Ehringhaus, <i>Telegram</i> .....	348
Ehringhaus, Governor, to I. C. Blackwood, <i>Telegram</i> .....	349
Ehringhaus, Governor, to Hugh S. Johnson, <i>Letter</i> .....	349

## 1934

Ehringhaus, Governor, to Oliver F. Gilbert, <i>Letter</i> .....	351
Tapp, J. W., to Governor Ehringhaus, <i>Letter</i> .....	354
Ehringhaus, Governor, to Franklin D. Roosevelt, <i>Letter</i> .....	355
Ehringhaus, Governor, to R. R. Hawfield, <i>Letter</i> .....	356
Lawrence, R. R., to A. H. Graham, <i>Telegram</i> .....	357

LETTERS AND TELEGRAMS—*Continued*:

Page

Fletcher, A. L., to Governor Ehringhaus, <i>Letter</i> .....	358
Ehringhaus, Governor, to R. R. Lawrence, <i>Telegram</i> .....	359
Lawrence, R. R., to Governor Ehringhaus, <i>Telegram</i> .....	359
Ehringhaus, Governor, to R. R. Lawrence, <i>Telegram</i> .....	360
Ehringhaus, Governor, Weil, Lionel, Poe, Clarence, and Joyner, J. Y., to J. B. Hutson, <i>Telegram</i> .....	361
Ehringhaus, Governor, to H. A. Wallace, <i>Telegram</i> .....	361
Ehringhaus, Governor, to H. A. Wallace, <i>Letter</i> .....	362
Ehringhaus, Governor, to George C. Peery, <i>Letter</i> .....	364
Ehringhaus, Governor, to Fred C. Howe, <i>Letter</i> .....	365
Stone, H. E., to Governor Ehringhaus, <i>Letter</i> .....	365
Mickey, R. H., to Governor Ehringhaus and E. B. Jeffress, <i>Letter</i> .....	366
Ehringhaus, Governor, to R. H. Mickey, <i>Letter</i> .....	368
Roosevelt, Franklin D., to Governor Ehringhaus, <i>Letter</i> .....	369
Ehringhaus, Governor, to H. E. Stone, <i>Letter</i> .....	370
Gold, John D., to Governor Ehringhaus, <i>Letter</i> .....	370
Ehringhaus, Governor, to John D. Gold, <i>Letter</i> .....	371
Byers, C. M., to Governor Ehringhaus, <i>Letter</i> .....	372
Ehringhaus, Governor, to Oil Companies, <i>Telegram</i> .....	377
Boger, Charles E., to Governor Ehringhaus, <i>Letter</i> .....	377
Ehringhaus, Governor, to Chester O. Davis, <i>Telegram</i> .....	379
Lawrence, R. R., to Governor Ehringhaus, <i>Telegram</i> .....	380
Ehringhaus, Governor, to R. R. Lawrence, <i>Telegram</i> .....	380
Ehringhaus, Governor, to R. R. Lawrence, <i>Telegram</i> .....	381
Ickes, Harold L., to Governor Ehringhaus, <i>Letter</i> .....	382
Ickes, Harold L., to Governor Ehringhaus, <i>Letter</i> .....	388
Ehringhaus, Governor, to J. B. Hutson, <i>Telegram</i> .....	389
Ehringhaus, Governor, to Franklin D. Roosevelt, <i>Letter</i> .....	389
Sholtz, David, to Governor Ehringhaus, <i>Letter</i> .....	392
Roosevelt, Franklin D., to Governor Ehringhaus, <i>Letter</i> .....	392
Mercker, A. E., to Governor Ehringhaus, <i>Letter</i> .....	393

## 1935

Koiner, George W., to Governor Ehringhaus, <i>Letter</i> .....	394
Ehringhaus, Governor, to G. B. Phillips, <i>Letter</i> .....	395
Ehringhaus, Governor, to Franklin D. Roosevelt, <i>Telegram</i> .....	396
Ehringhaus, Governor, to Halsey B. Leavitt, <i>Letter</i> .....	397
Ehringhaus, Governor, to Luther Hodges, <i>Letter</i> .....	400
Newcomb, Marcus W., to Governor Ehringhaus, <i>Letter</i> .....	400

## 1936

Ehringhaus, Governor, to Marcus W. Newcomb, <i>Letter</i> .....	401
Ehringhaus, Governor, to A. L. Fletcher, <i>Letter</i> .....	404
Kerr, John H., to Governor Ehringhaus, <i>Letter</i> .....	405
Ehringhaus, Governor, to John H. Kerr, <i>Telegram</i> .....	406
Ehringhaus, Governor, to Chester C. Davis, <i>Telegram</i> .....	406



LETTERS AND TELEGRAMS—*Continued*:

Davis, Chester C., to Governor Ehringhaus, <i>Letter</i> .....	407
Ehringhaus, Governor, to Josiah W. Bailey, Lindsay C. Warren, Harold D. Cooley, John H. Kerr, Graham A. Barden, J. Bayard Clark, F. W. Hancock, Jr., and W. B. Umstead, <i>Telegram</i> .....	408
Ehringhaus, Governor, to Franklin D. Roosevelt, <i>Telegram</i> .....	408
Ehringhaus, Governor, to the Governors and Commissioners of Agriculture of the States of Virginia, South Carolina, Georgia, Florida, Tennessee, West Virginia, and Maryland, <i>Telegram</i> .....	410
Bell, G. W., to Governor Ehringhaus, <i>Letter</i> .....	411
Ehringhaus, Governor, to Graham W. Bell, <i>Letter</i> .....	412
Ehringhaus, Governor, to J. E. Winslow, <i>Telegram</i> .....	412
Ehringhaus, Governor, to Claude S. Ramsey, <i>Letter</i> .....	413
Winant, John G., to Governor Ehringhaus, <i>Letter</i> .....	414
Langley, Gus Colon, to Governor Ehringhaus, <i>Letter</i> .....	415
Ehringhaus, Governor, to the Young Democrats of North Carolina, <i>Letter</i> .....	416
Ehringhaus, Governor, to Clarence Poe, <i>Letter</i> .....	416
Ehringhaus, Governor, to Cary A. Hardee, <i>Telegram</i> .....	417
Ehringhaus, Governor, to Stacey W. Wade, <i>Letter</i> .....	418
Brower, A. S., to Governor Ehringhaus, <i>Letter</i> .....	419
Ehringhaus, Governor, to Capus M. Waynick, <i>Letter</i> .....	420
Ehringhaus, Governor, to Franklin D. Roosevelt, <i>Telegram</i> .....	421

MISCELLANEOUS ITEMS:

Pledges Faith in Leadership of Governor .....	425
State Highway and Public Works Commission Organized .....	425
Writ of Election .....	426
Resolution .....	427
Common School Centennial .....	428
Resolution on Tobacco Acreage .....	429
Achievements of the Administration .....	429
Combined Statement, Cash Receipts and Disbursements, Auditor and Treasurer, to May 31, 1933 .....	434
Combined Statement, Cash Receipts and Disbursements, Auditor and Treasurer, to May 31, 1934 .....	436
Combined Statement, Cash Receipts and Disbursements, Auditor and Treasurer, to May 31, 1935 .....	437
Combined Statement, Cash Receipts and Disbursements, Auditor and Treasurer, to May 31, 1936 .....	438

APPOINTMENTS .....	443
--------------------	-----

INDEX .....	477
-------------	-----



## ILLUSTRATIONS

	<i>Page</i>
John Christoph Blucher Ehringhaus .....	<i>Frontispiece</i>
Leaving the Mansion for the Inauguration .....	15
Inauguration of J. C. B. Ehringhaus .....	31
Mrs. J. C. B. Ehringhaus .....	79
The Children of Governor and Mrs. Ehringhaus .....	95
Governor and Mrs. Ehringhaus with the Governor's Father .....	127
Honoring Walter Hines Page .....	143
Governor Ehringhaus with Governor Olin D. Johnston .....	175
Dedication of the Airport in Rocky Mount .....	191
Governor Ehringhaus at Mount Mitchell Reservation .....	223
Congratulating J. C. B. Ehringhaus, Jr. ....	239
Governor and Mrs. Ehringhaus Leaving for Indianapolis .....	271
J. C. B. Ehringhaus .....	287



**MESSAGES TO THE GENERAL  
ASSEMBLY**





# INAUGURAL ADDRESS

DELIVERED IN THE MEMORIAL AUDITORIUM  
RALEIGH

JANUARY 5, 1933

Reverently and in the full consciousness of the moment's responsibilities I take up the duties of this great office. To me it has always symbolized the ultimate in political achievement, but I find that the realization of a life's ambition brings only an overwhelming sense of responsibility and inadequacy. Confronting us at this hour are problems of such magnitude as the State has not faced since Reconstruction days; problems which challenge, in each of us who are charged with their solution, the ultimate of our capacities of head and heart and hand, and give us timorous pause lest in spite of conscientious effort we go finally amiss.

## NORTH CAROLINA AT THE CROSS-ROADS

For whether we are willing to admit it or not, the State which we love has reached the cross-roads of its financial destiny, and upon our present choice of highways depends its economic salvation and stability. In the years when prosperity blessed us and the pursuit of exalted ideals in governmental activities as well as a various and ever increasing demand for governmental services beckoned us constantly to an increased and ever increasing spending, we launched upon a program and practice which, however great its social and economic dividends, lays upon us, in these difficult days, a burden and yoke that galls and grinds and terrifies us. There is neither disposition nor desire to quarrel with the past—to fix responsibility or apportion blame for the burdens of the present. The urge was universal, the call well-nigh unanimous. The condemnation, if such there be, must be shared by all, and the speculation as to culprits is foolish and futile. There is, too, much of consolation in the recollection that the investments which consumed this spending may be reckoned yet as economic and social assets. North Carolina can stand before her sister states unashamed of the part she has played in the delirious drama of development marking the past decade.

As late as June, 1928, our financial condition was not serious or the cause of reasonable apprehension. Our revenues were

steady and in excess of estimates; our farms and factories productive and profitable. We were meeting with ease and promptness our bond maturities both in state and local subdivisions, and all seemed rosy as a summer's dream.

But the waves of a great national adversity have now overtaken us and the time has come for reckoning, self-appraisal, inventory of our condition, and the setting of our house in financial order.

Estimates prepared by state officials covering our situation as of July 1, 1933, on the basis of present expenditures and levies, indicate a predicted total operating deficit of \$12,500,000. The figures here presented are compiled on a cash as distinguished from an accrual basis.

Recall the fact that we are committed to the elimination of the state-wide 15-cent levy for the six months school term (which involves a relinquishment of approximately four million dollars each year of revenue), and the problem of a balanced budget assumes real proportions—particularly in view of our platform pledge of “every reasonable effort for the avoidance of additional taxes.”

Consider, too, that we have come to this position where we are burdened with a presently accumulated deficit of approximately \$9,430,000, in large part through efforts to keep up, as far as possible, the present level of spending for certain purposes, our reluctance to make further cuts, our desire to maintain these services on a cash basis, and that this borrowing (short time) has itself added to our annual burden an additional load in interest charges of many hundred thousands. Recall that, but for the exercise by Governor Gardner of his power as director of the budget, and the cutting of appropriations thereunder, we would today (on the basis of the last legislative appropriations) have an additional deficit of \$8,850,000, or a grand total of \$17,850,000.

When we recall the courageous action of Governor Gardner and his uncanny divination of financial “breakers ahead,” when the President himself was heralding a new and enlarged era of prosperity; when we recall that by this action legislative appropriations were reduced the first year \$1,450,000, then \$2,100,000, then \$2,600,000, and this year about \$2,700,000; when we remember that but for this action the presently accumulated deficit would be greater by many millions and our State no doubt on a scrip basis and in financial chaos; when we recall his achieve-

ment in reducing general governmental expenses from \$8,658,000 to \$6,164,000, a decrease of 29 per cent; when we remember the setting up by the legislature of agencies which have resulted in damming the tide of municipal debt increase and promoting a substantial reduction thereof (amounting in principal and interest last year to over twenty million dollars) the relief offered to property owners aggregating \$25,000,000 in the last two years, the reduction of the total tax bill in the State from \$102,000,000 in 1929-30 to \$89,000,000 in 1931-32, and probably to \$86,000,000 in 1932-33, and the maintenance of governmental services in reasonable efficiency through these days of stress and strain, we may well be proud of our State and its leadership—executive and legislative—through the past quadrennium.

Not for purposes of invidious comparison, but solely to get the proper setting for our picture, let us look for a moment at the present situation in the Nation and in our neighbor states.

The national governmental expenses have increased in the last quadrennium to an alarming extent and its general fund deficit is accumulating at a daily rate that staggers the imagination. In our neighboring states financial difficulties are quite the order of the day, and in some of them already a condition of practical insolvency exists—the governments are almost incapable of functioning—payrolls met with scrip or simply passed by, institutions dying for want of cash, and the people hopeless in the face of ever increasing difficulties.

In relief of local subdivisions of school and highway burden North Carolina takes first rank. The plenitude of her provision for these causes cannot be matched by a single Southern commonwealth. Indeed, it will bear comparison with any state of similar resources and with most of her richer sisters.

But the sad truth confronts us that our revenues in practically every source are shrinking in serious if not alarming proportions. For proof of this I need only refer to this week's official bulletin of our Revenue Department.

Our commitments for debt service and sinking fund for highway bonds for next year total roughly \$9,500,000. Our estimated revenue for highways on basis of present levies and undiminished yield is \$18,000,000. But at least one competent authority suggests that since this source has only recently begun to reflect the depression, we may look for even greater recessions, and puts his estimate as low as \$14,000,000, which prediction, if it

should eventuate, would leave an uncomfortably narrow margin for maintenance and none for construction.

And last of all, Ladies and Gentlemen of the Assembly, the simple truth is that unquestionably and undeniably we have reached the end of our capacity to borrow. It profits us nothing to quarrel with those who hold the purse-strings and drive hard bargains in interest charges because of our predicament. The temples of the great money changers are far distant, and even the sovereignty of the State cannot reach them. To them in financial plight must go a suppliant. The dollars we seek to borrow are theirs; they may lend or refuse as they choose, and we have found through sad experience that, in the case of states as well as individuals, a budget out of balance is an impossible basis of borrowing.

Ladies and gentlemen of the Assembly, the most important and imperative duty that rests upon you greets you at the threshold of your labors—THE BUDGET MUST BE BALANCED IMMEDIATELY! And when I say balanced I mean balanced on the basis of substantial certainty—beyond cavil, doubt, or dispute. Unless this is accomplished quickly chaos, confusion, contumely, defaults, scrip payments, and destruction of our institutions are immediately ahead. It is an ugly picture. I paint it with reluctance, but in such an hour the plain, unvarnished truth is best. North Carolina knows how “to take it on the chin and take it standing up.”

#### THE WAY OUT

Remember now that on the basis of present appropriation commitments (not amounts requested, which are greatly in excess of this) and present tax levies, we start this good year 1933 with a deficit of \$9,430,000 accumulated in our general fund, with additional obligations to special funds approximating \$3,000,000; that in addition to this we have a net funded debt of \$147,740,877; that by the end of this fiscal year, that is, June 30, 1933, our deficit would probably reach \$12,500,000; that we must on this basis find additional revenues to absorb this deficit and also to absorb the accumulating deficit we face as well as the interest charges on it and the \$3,850,000 loss of state revenue by relinquishment of the yield from the 15-cent property tax levy; must absorb as well any additional shrinkage in revenue below present levels if further shrinkage occurs, as seems most likely, and you begin to get at the problem before you. What is the answer?



When income and outgo are out of balance states as well as individuals are compelled to do one of three things: (a) cut expenses, (b) increase revenues, or (c) work out a combination of both. To undertake the imposition at this time of additional tax levies sufficient to carry on our necessary governmental functions and to absorb as well in the next biennium our accumulated deficit would be, in the present burdened condition of our people and their activities, a cruelty as well as a practical impossibility. Some method of short-term or serial financing of this deficit must be found on a basis of interest charges that are not unduly burdensome. I speak within the bounds of accurate information when I say that even this is improbable except upon the basis of drastically reduced spending levels and a manifestly balanced budget. Our only hope of accomplishing such financing is predicated upon this.

Appropriations mean nothing unless they may be interpreted in terms of cash certainly available and may be relied upon as a sound basis of commitment, and we are warned by our situation that further borrowings on the present basis are impossible—that lavish commitments involve not merely the certainty of cuts for want of revenue, but the probability of payment in scrip. The way out is plain but pleasureless; it involves the eating, for a season at least, of the “herbs and dry bread” of a hard self-denial. It challenges our ingenuity for working out plans which will enable us to carry on in efficiency and the preservation of ideals, but on a greatly reduced spending basis. Nay, more than that, it challenges our patriotism. I for one have faith in North Carolina and in the men and women who are the flesh and blood and spirit of the commonwealth. To say that it cannot be done is to confess failure in advance and invite disaster. Nor would I accept responsibility for what in my judgment is certain to happen if this Assembly should do the unthinkable thing of failing to balance this budget, and of making commitments beyond reasonable expectations and leaving upon the executive the burden of financing them or cutting them through budgetary control.

Having in mind this situation and the commitment of both parties in the last election, I submit these recommendations for your consideration and approval.

#### REVALUATION OF PROPERTY

Honesty and fair dealing as well as platform pledges demand

that steps be taken at once to resume our time-tried policy of quadrennial assessments. We must have at once a revaluation of property by the usual methods or their equivalent. I mean by this that provision should be made upon the basis of the most economical methods and the greatest possible simplification and at considerably less expense than heretofore. I am quite sure that such methods can be worked out by you. I concede that this means—in the absence of the effectuation of large economies in local governments—an increased local tax rate to produce the amount required for maintenance of the subdivisions. This fact in itself should prove a powerful force to bring and hold down local spending to reasonable limits—"a consummation devoutly to be wished." Revaluation also involves the danger of the too near approach to constitutional debt limitation by the State and subdivisions.

In spite of all of this, I am convinced that such a step is necessary that we may know exactly where we stand, and that property—particularly real property—may have restored to it an honest value as the basis of its tax contribution.

Whether this valuation should stand for the full four years or—in order to restore the old order exactly—for the next bien-nium only (during which time we indulge the hope for better days), is a question for your wisdom and considered judgment. I am committed to the idea of an immediate revaluation and recommend it. The rest is left to you.

#### RELIEF OF PRESENT PROPERTY LEVY

I urge upon you also the immediate relief of property from the 15-cents state-wide levy for support of the six months school term. This is recommended not only as a contribution to the cause of more equitable distribution of the tax load, but also upon the sound theory that the State embarked some time ago upon the policy of segregation; that it has recognized, in the passage of the McLean Law, a constitutional interpretation which imposes the burden of support of the standard term upon the State, and thus has accepted the suggestion that such is an obligation of the State. It must follow, therefore, that this obligation shall be discharged out of revenues segregated or set aside to the State, rather than out of revenues from land or property, which are segregated to local purposes.

To those who would find in present difficulties or necessities an excuse for ignoring these equities as well as the platform pledges

of both parties, I would say that such a course, involving both personal and party perfidy, is impossible. And to the suggestion that the relief of his properties means but little to the individual, though much in aggregation to the State, I would reply that whether much or little, it is an equity due the landowner; it has been promised him, and woe betide the man or group that now denies him.

### SUBSTANTIAL ECONOMY

A substantial, even drastic, curtailment in our spending is imperative. Proud as we are of our social progress, we must remember that not even social progress can, for any great time, go ahead faster than material progress. There are many things we would like to do and do quickly, but it is an economic truth that all such undertakings "must have a direct relation to the ability of the State to pay for what it wants." I do not mean by this that we should embark upon a policy of parsimoniousness. Our party pledges, our personal preference, and our ideals and traditions of government activities all commit us to the maintenance of our schools, our institutions of higher learning, and our charitable and correctional institutions upon levels of efficiency and high public service. Though these, together with our highway system (which up to this point is self-supporting and about which I shall speak separately), absorb a high percentage of our total revenues, they must be financed in economical efficiency.

As I said on another occasion: "There is a sort of saving which wastes—which crucifies the ideal upon the altar of penuriousness—which in dreadful fear of poverty and privation sees only the costs in dollars of things purchased and senses not values which cannot be reckoned in monetary terms, though adding greatly to the public wealth and welfare. In protecting ourselves against thriftless spending we should be careful not to indulge an impulse towards miserliness or sacrifice those things which are necessary for the preservation of our ideals in government." But the burdens which rest upon our people, which bend the backs of our farmers and laborers, which have consumed the scant earnings of our clerical and professional men, which have devoured the incomes of our rich and powerful, and which have dried up the life blood of the State's support, are such that the levels of our spending must be reduced as the first step on the road to recovery and preservation of our credit and state solvency. Economy with us is not a mere political preachment; it is a way

of life. I may mistakingly interpret the sentiment of our people about many things, but on this point I am quite certain. The cost of government—all government—*must come down, and that substantially*. Make no mistake about that. The demand of the people on this point is imperative and will not brook denial or equivocation.

Every individual taxpayer, every wage earner, every tiller of the soil, every professional man, every merchant, every clerical helper, every charity, every industry, every church, every institution, has seen its income go down, down, down. Some have shrunk "twenty, some fifty, and some an hundredfold." And with the shrinking process has come the necessity to "trim sails"—to cut down expenses. Individuals and corporations are doing it. Government *must* do the same.

To the suggestion that recession in expenditures means defeat of ideals I venture to reply that there is no more certain way to insure their defeat than to pursue a path which leads certainly to scrip payments, financial chaos, and repudiation. The heritage of a restricted but honorable opportunity is far more priceless than one which, though enlarged, comes of profligate provision and is pointed towards dishonorable disaster.

For the efficient and economical maintenance of our essential services (and I include in these our schools, charities, and institutions of higher learning) we must bear the burden which such cost imposes. But before we add fresh levies, which do but add to the burdens of the great struggling mass of our people upon whom they ultimately and inevitably fall, it is imperative that we follow a vigorous and unrelenting pruning process. The cruelty of any other course would damn the efforts of all who benefited by it.

#### REDUCTION OF OPERATION COST

The first field for saving is the one nearest at hand—the general governmental setup, salaries and prerequisites. I neither possess nor desire any power or control over the constitutional officers of the State. Save for budgetary control, they are supreme in their respective departments. And may I not at this point interject the observation that I have every confidence in my associates who have been set over these departments by the same sort of popular mandate as put responsibility upon me. I look to them, and I feel confident that I shall receive from each and all of them the utmost coöperation in the work which is



ahead. If there are to be inter-departmental wars they shall not be of my making. In the particular field of economy as in other activities the State expects and no doubt will receive from each of them a full measure of contribution. In the field controlled by executive and legislative appointment I submit the following recommendations:

1. That the law of 1929 providing an entertainment fund for the chief executive be repealed. I have already suggested this to the Budget Commission. It merely evidences my desire to absorb my own share in the burden bearing.

2. I suggest that the position of executive counsel be abolished and the governor given authority to appoint a pardon commissioner at a salary to be fixed by the legislature and with such stenographic assistance as may be necessary.

3. The Bureau of Personnel has done valiant service in standardizing our salaries. The work of classification, however, has now been practically completed and the service may, therefore, be very well handled through consolidation of services and by a clerk in the Executive Department.

4. The Local Government Commission can very well be transferred to the Treasury Department and operated thereunder at a saving of considerable cost and, what is quite as important, be thereby continued under the supervision of the capable officer who has developed its present efficiency and fine spirit of coöperative service.

5. This General Assembly should give serious thought to the possibility of consolidating our highway and prison departments. Certainly there should be a consolidation of all motor vehicle collections under one department. Present practices work for competition in collection, with loss of revenue to the State.

6. The whole field of governmental setup should be carefully canvassed by this General Assembly to the end that duplications of effort may be avoided and eliminations and consolidations effected wherever practicable. I believe that the legislature would make substantial contribution to the cause of economy if it should classify governmental activities into essential and non-essential classes, allowing to the executive the power, under budgetary control, to discontinue in emergencies those classified as non-essential, or cut down their appropriations before going into the field of essentials. I am convinced that a considerable saving can be worked out through reorganization along these lines. What is equally important is that under such an arrange-



ment a preference could be given to essential services under budgetary control.

### NO NEW COMMITMENTS

It goes without saying that the State is already laboring under a burden which only the most heroic efforts can meet. It would be unwise under such circumstances for the State to assume any new commitments involving additional financial burden. I urge that the General Assembly refrain from taking over any additional obligations. However meritorious such projects may seem, their acceptance by the State at this time is beyond its reasonable capacities.

### HIGHWAYS

The state highway system in North Carolina is a matter of great pride to its citizenship. It has involved a vast expenditure of money, approximating two hundred millions. Today the State also is maintaining all former county highways. Provision for the discharge of our highway obligations and the maintenance of our highways is made by the imposition of gasoline and motor vehicle taxes. There is a moral, if not a legal, obligation resting upon the State to reserve these funds for highway use, certainly to the extent of discharging all maturing obligations and the provision of sinking fund reserves, and also to the extent of adequate maintenance of the system which has been provided by this great expenditure. In my judgment it would not only be unwise but a breach of faith with those who have purchased our bonds to turn these revenues now into the general fund. It is not difficult to picture consequences of far-reaching importance if such a course should be followed.

I am quite in sympathy with the suggestion that for the next biennium all new construction should be abandoned. But the idea that here is a limitless source of revenue waiting to be tapped for other purposes is manifestly erroneous. Before we begin to distribute the surplus of highway resources it would be best to assure ourselves as to whether there is to be any surplus. And for reasons already pointed out, it is extremely doubtful whether there will be any considerable surplus over the necessary requirements for debt service and adequate maintenance. A failure to maintain properly the system which has cost so much money might bring about a serious deterioration, or even the destruction of this great asset to our State, and this, of course, would

mean loss of the entire revenue or a substantial part of the revenue now derived from it. There is a human element involved in this, also, which is quite frequently overlooked. I am told that the school busses of North Carolina cover daily, with their load of precious freight, a hundred thousand miles. Surely here is an additional reason for adequate maintenance.

### EDUCATION

The public schools of North Carolina are a matter of first concern. I regard our constitutional obligation along this line not only as mandatory, but as imposing upon us a primary and essential service. All possible economies should be effected before anything is done which would cripple our schools. Non-essential services should suffer or vanish before necessary economy hurts here. I am convinced, however, from personal observation and study, that even in this field there is great chance for saving. There are many things in the curricula of our schools which can presently be eliminated without serious impairment of the educational opportunity. There are consolidations still possible that would involve great reduction in expense. And the endless process of splitting up and specializing supervision does not always work for the weal of an enterprise. Reductions in salaries, if necessary, should be graduated, so as to fall least heavily upon the rank and file and most heavily upon overhead and supervision.

Please understand me. I am not speaking dogmatically here. Expert opinion should be consulted and considered. I have this much of settled opinion on this subject, however: first, a real effort, in full recognition of our necessities and the precarious condition of our finances, will be productive of fruitful suggestions, and I believe that we can count upon the patriotism of the teaching profession to come forward with these once they recognize the realities of our difficult position; second, the suggestion frequently made that we rank fortieth or forty-first in schools is either founded upon false standards or there is something radically wrong with our spending. No state which makes direct contribution to the cause of education in excess of the value of its principal crops can be accused of a niggardly policy, or of a lack of sympathy for the cause. With respect to our schools as with respect to our institutions of higher learning, the fullest measure of provision, consistent with our ability to raise revenue without oppression, should be given; but I cannot subscribe to

the doctrine that the measure of a man's respect for ideals depends upon his willingness or unwillingness to preserve at all costs any particular salary standard.

### LOCAL GOVERNMENT

In giving thought to possible reductions of governmental costs we must not overlook the field of local government. Experience has shown that its cost has risen more rapidly than that of the State, and that even the taking over by the State of particular functions has not always resulted in local savings. I do not charge this entirely to local error; I think all too frequently the State has neglected a great opportunity to serve. It is my thought that we should begin at once a real effort towards a sympathetic and coöperative supervision of local governments. Accordingly, I propose that the legislature should enact at once statutes designed to accomplish the following:

1. Full opportunity for voluntary consolidation of counties through popular approval in every county affected.

2. Similar opportunity for consolidation between counties and cities or towns.

3. Provision for the consolidation of particular functions so that one officer may perform the same duty for both city and county at a saving to both.

4. The right of municipal boards or boards of county commissioners to consolidate or eliminate statutory offices, and thus effect a savings in operation.

5. A general statute eliminating any mandatory requirement of any particular office in county, city, or town.

6. A general statute providing that all municipal salaries fixed by the General Assembly should be interpreted as establishing a maximum only, so as to facilitate local reductions when desirable or necessary.

7. A provision for a supervision of expenditures and tax levies by governmental subdivisions through the Local Government Commission, and along the lines of present supervision of debt creations. The principle of publicity after departmental checking of increased tax levies could be utilized to hold down extravagant tendencies.

8. A comprehensive plan of sympathetic assistance by the commission in working out something of relief through extension of debt maturities. There is grave danger of an increase of





Leaving the Governor's Mansion for the inauguration, January 5, 1933. *Left to right:* Mrs. O. Max Gardner, Governor Gardner, Governor Ehrlinghaus, and Mrs. Ehrlinghaus.





municipal defaults, and these have unfortunate reflections in our state situation.

9. A simplification and reduction of the cost of tax foreclosure. Present practices are nothing short of oppressive.

10. Real consideration of possible plans of foreclosure postponement of back taxes should be given to the end that, if practicable, a reasonable scheme of sale postponement, without loss of lien, may be formulated. I have no reference to this year's taxes. We are trying to start a new deal.

There is here no thought of invading the provinces of local self-government, but only to provide a supervisory restraint upon extravagant tendencies. A similar proposal has been made by Governor Roosevelt of New York. It must be remembered, too, that these subdivisions are the creatures of the legislature, and that in providing supervision the legislature is but safeguarding the power which it has itself granted.

#### DISCONTINUANCE OF UNRESTRAINED FEE EXPENDITURES

As a relic of the past we have still in certain departments the practice of expenditures of fees without budget control. I favor the discontinuance of this and the requirement that all fees collected be turned into the general fund and all expenditures of each department be upon a budget basis.

#### AGRICULTURAL IMPROVEMENT

It is perhaps unnecessary for me to say here anything with reference to the need of agriculture for every possible consideration. There is little in the way of legislation which can be done to improve the situation. But I do wish this General Assembly and the people of North Carolina to know that I am genuinely interested in and firmly determined to do whatever possible to help this situation. The "live at home" campaign of the past four years has meant much more than was anticipated and has helped immeasurably to soften the blow of our present economic crisis. It is my desire to lend every possible encouragement to a continuation of this activity. I am convinced, however, that the natural follow-up to this campaign is a campaign for more livestock, dairying, and poultry in North Carolina. The need for developing activities along this line is manifest when we consider that according to the census of 1920 North Carolina, with unex-

celled possibilities, was next to the lowest state in the Union in livestock production.

And though we have made some progress in this respect, we are still far down the list of states in rank. It has been pointed out that the Northern agricultural states have a great advantage in per capita income over the Southern agricultural states, and this advantage is largely because of superior development of the livestock industry. I shall welcome the chance to assist in an effort to bring about a substantial improvement in this situation in the next years, and I urge upon the membership of this Assembly the utilization of every opportunity to assist in this movement.

#### COMMENDATION FOR GENERAL ASSEMBLY

May I not commend this General Assembly for having, even in the brief period of its service, manifested a fixed determination to hold down expenses and expenditures? Under the splendid leadership of your presiding officers you will no doubt continue your efforts for real, constructive service to the State. Let me assure you that at no time will you be able to discover in me the slightest desire to usurp any legislative function or to encroach upon your prerogatives, but only an earnest wish to coöperate with you in the solution of our common problem. When all is said and done, the responsibility of matching tax provision with tax expenditure is yours, and I am quite confident that you will make expeditious progress towards the accomplishment of this balance. I am quite certain that nothing could happen in North Carolina which would give more heart to its struggling people and more strength to its credit than the expedition by this body of its consideration of the revenue, machinery, and appropriation bills.

There are other matters about which I may wish later to give you my opinion, or I may reach the conclusion that some matters herein should be discussed more elaborately. I have endeavored in this to set forth general principles, and this message has also been prepared under the handicap of personal illness.

#### AN APPEAL FOR HARMONY

One thing more and I am through. In times like these it is inevitable that there should come to us wild and baseless rumors of cynical and unfriendly alliances. To believe them is to discount essential patriotism and to court disaster. To all such I have invariably turned a deaf and a disbelieving ear. May I not say this much further with reference to such suggestions?

If there are minds bent upon the mischief of unthinking opposition and policies of negation for mere negation's sake, I do not know them. If there are hearts which cherish, in the face of the State's tremendous need and the challenge of this pregnant hour, the petty animosities of past political conflicts, I shall not permit myself to be embroiled or embarrassed by them. If there are lances raised and shafts aquiver to spend themselves in frustrating our efforts merely for the joy of frustration or the advancement of personal or political prestige, I refuse to see them. The good God is my witness that I come to this moment with no sense of personal triumph or exaltation, that I am actuated only by the desire to serve my State well in its hour of need; to bind up party wounds, if wounds there be; to build in the land we love an enduring harmony, to take the good and great in every suggestion from whatever quarter it emanates, to bend in gentleness the combined and ultimate patriotism of the entire citizenship to the service and salvation of the commonwealth. Ladies and gentlemen of the Assembly, there is war—economic war—ahead; yea, it is even now upon us. There confronts us at this hour a peril as deadly, a conflict as momentous, as any which, in stirring days past, has summoned Carolina's sons to arms. In such an hour he who prates of petty quarrels wastes precious time in nothingness; he who puts personal advantage ahead of the State's good serves the cause of the enemy and brands himself traitor to his sovereign mother. I welcome the chance to work with you in high and unselfish endeavor. With hearts aflame and minds alert, let us go forward. We do battle for a holy cause. We shall triumph over our adversities only as and because under God we shall deserve to triumph. There is inspiration in the knowledge that we do battle for North Carolina.

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## BUDGET REPORT

### SPECIAL MESSAGE

JANUARY 16, 1933

*Mr. President, Mr. Speaker,  
and Members of the General Assembly:*

In compliance with the provisions of our statutes I transmit to you herewith the budget for the biennium from June 30, 1933, to June 30, 1935, for the fiscal years 1933-34 and 1934-35,

as submitted by the outgoing administration. Accompanying it also are revenue and appropriation acts prepared in accord with the budget proposals.

These of course were all prepared upon the basis of a continuance of the present governmental set-up. With them is a vast quantity of valuable and most useful information which no doubt will aid you greatly in the task that is before you. These bills also will provide a beginning point from which you may direct your efforts.

While there is much contained in these reports with which I find myself in accord, I feel constrained to record my dissent to them in certain substantial particulars.

You will observe by reference to the budget, page 9, that "these recommendations as to balancing contemplate covering a probable deficiency, after repealing the fifteen cent ad valorem property tax levy, of ten million dollars," for the year 1933-34, and substantially the same amount for the year 1934-35. You will observe also that the proposal to effect this contemplates:

	1933-34	1934-35
Reducing general fund expenses . . . .	\$ 3,000,000	\$ 3,000,000
Refunding general fund bond maturities . .	1,150,000	1,738,000
Transfer of highway revenue . . . . .	2,000,000	2,000,000
Replacing the 15 cents property tax with new levies . . . . .	3,850,000	3,850,000
Total . . . . .	\$10,000,000	\$10,588,000

In the very few hours since these were submitted to me I have had no sufficient opportunity for a careful review of the detail of each of these proposals. A submission of such detail is neither necessary nor proper at this time. It will be sufficient for me to submit the following observations.

The action of the General Assembly, in line with my inaugural suggestion that "the whole field of governmental setup should be carefully canvassed to the end that duplications of efforts may be avoided and eliminations and consolidations effected wherever practicable," increases the prospect of even greater economies than those herein proposed, and certainly will result in the elimination of various items for which provision is herein made. The appointment of strong and able committees by both branches of the Assembly has reassured the public mind and met with widespread approval. I feel confident that out of this enterprise will come a real and substantial economy and the more accurate ap-



praisal of what may thus be saved is, in my judgment, the first step in your preparation of budget, appropriation, and revenue measures for the next biennium. I am impressed, too, with the idea that the reductions here proposed follow too largely the idea of horizontal decreases without considering, as is vital, the difference between the essential and non-essential services. In this connection, I venture to repeat my suggestion that this General Assembly will do well if it will—even as to those for which it finally makes provision—“classify governmental activities into essential and non-essential classes,” with provision for budgetary discrimination as therein pointed out. I am also of the opinion that all salary reductions should be graduated.

These measures propose a substantial increase in tax levies. While I have no objection to readjustments which do not add to present burdens or which effectuate their more equitable distribution or to corrections of manifest errors or to levies upon enterprises which have heretofore escaped taxation, I do not think that substantial levies, involving new burdens, should be considered unless and until every effort has been exhausted for economy consistent with the preservation of essential services and activities. Until we have definitely determined how much we can save and only then will we be justified in considering the imposition upon our people of the burden which such new levies will entail. If this unhappy necessity should eventuate, then such levies should be “earmarked” for the essential service for which required. And it should be made plain also that such levies are temporary and emergency levies only. Under no consideration should we permit these to be considered or construed as invitations to spending agencies to raise or maintain spending levels. A substantial economy is not only imperative but it is the first step in budget balancing.

You will observe that this budget proposes to divert two million dollars of highway funds to the general fund of the State as a means of balancing the budget. I cannot give my approval to this suggestion. An indirect diversion is just as objectionable as one directly made. My reasons for this opposition need not be here set forth at length. In the main, they have been indicated in my inaugural message. However, it is proper to observe here that in view of the rapid decrease in highway revenues which has been noted since July 1, last, it would seem that the prospect of any such surplus above debt service and reasonable maintenance cost is too insubstantial to warrant us in accepting this pro-



vision as a basis of budget balancing. As a further evidence of the possibility of continued decreases and the uncertainty of supposing that we shall have the same revenue next year as last in this fund, there has recently been prepared a statement covering the sale of new passenger cars and trucks in North Carolina for several years past. Here are the figures :

YEAR	PASSENGER	TRUCKS	TOTAL
1925	64,537	5,904	70,441
1926	66,296	6,440	72,736
1927	59,877	7,340	67,217
1928	57,607	7,010	64,617
1929	64,171	9,609	73,780
1930	33,768	6,483	40,251
1931	28,088	6,821	34,909
1932	15,300	3,698	18,998

You will see from this table that the past year has shown a decrease in sales of new automobiles and trucks to the point where it is less than one-third of the peak. This is strong indication of the reasonable probability of an even greater shrinkage. The estimates of probable revenues as set out on pages 60 and 61 of the budget here transmitted lend further proof and probability to this suggestion.

I must call your attention also to the fact, as appears from a perusal of this budget, that the balancing here proposed contemplates the refunding of our general fund bond maturities during the next biennium amounting to \$1,150,000 for the fiscal year 1933-34 and \$1,738,000 for the fiscal year 1934-35. Most respectfully, but emphatically, I suggest that this does not constitute a balanced budget. Certainly it does not accord with my idea of the necessities of the present situation if we are to preserve our credit and set up a really balanced budget. It is not difficult to differentiate between the funding of a casual deficit—even one as large as we have presently accumulated—and the funding of a maturing obligation. Our casual deficit is due to unprecedented economic conditions, universally present, and resulting in unforeseen and largely unforeseeable shrinkage in revenue. The funding of a casual deficit is a recognized practice in the world of sound finance. The refunding of the maturing obligations is there regarded as an evidence of financial instability.

There are other things which might be said here, but these are sufficient and I refrain for the further reason that I am anxious to get these measures before you at the earliest possible

moment, to the end that you may promptly proceed with your labors.

Let me repeat, because it seems to me that it cannot be too greatly emphasized, that it is imperatively necessary that this legislature should match its appropriations with its provisions and provide for an undeniably balanced budget. If the setup which should be finally adopted is predicated upon what in reasonable probability may be classified as an uncertainty, or is built upon the basis of refunding maturing obligations, our whole financial structure is jeopardized and the credit of the State imperiled. We can never hope to float the bonds necessary to cover our accumulated casual deficit or to make such short term borrowings as may be necessary from time to time; we can never hope to obtain such financing as we need upon reasonable interest terms, unless and until we have provided a budget balanced upon the basis of substantial certainty. With this done, and with a real economy program, we can look hopefully towards the future.

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## REVENUE AND FINANCE BILLS POSTPONED

### SPECIAL MESSAGE

MARCH 8, 1933

*To the President of the Senate and Speaker of the House of Representatives, and Members of the General Assembly:*

I feel it my duty to advise that I shall desire to address a joint session of the General Assembly in the near future, though I am at present unable to suggest a definite date. The present banking crisis has become a national one, with which the Congress of the United States must deal in the immediate future, and it seems inadvisable to present my views on matters of finance and appropriations for schools and other governmental activities until there is some further clarification of this situation, which it is anticipated will take place during the week.

Under the circumstances, I venture to recommend that you postpone, for a brief time, consideration of the revenue and finance bills. Your pending calendars no doubt will furnish ample opportunity for the satisfactory and worth-while employment of the intervening time.

## SALES TAX AS AN EMERGENCY MEASURE

## SPECIAL MESSAGE

MARCH 13, 1933

*Mr. President, Mr. Speaker,  
and Members of the General Assembly:*

Last week I suggested to you my desire to come before you and in this connection asked that you postpone the consideration of your revenue and appropriation bills for a brief season. At the time the country was in the midst of the greatest banking crisis of this generation, and until this situation had clarified itself it seemed inadvisable to take up these matters. Happily, the national crisis seems now well in hand and we are apparently on the road to the restoration of normal banking activities. In this connection, it is pleasant to recall that North Carolina was the last of the states to go on a holiday, which is the surest indication of the essential soundness of her banking structure. Through the emergency banking legislation which has been recently proposed and promptly enacted by you, we have been able, as well, to keep exactly abreast of the developing national situation and not only coördinate our efforts with those of the Federal government, but avoid the confusion which has existed in some other commonwealths. With this behind us, and with the increasing spirit of optimism and confidence which pervades the country, we can turn our attention to our own immediate problems.

My coming before you now has in it no purpose to coerce but only a sincere desire to help you in solving the difficult problems which still perplex us and which hold you in session beyond the usual time. It has been delayed not by want of willingness to express my views, but in order to give full opportunity for the development of yours, and only the manifestly increasing divergence of these and the importance of an early adjustment have brought me to the point where it seemed advisable that I again address you. For however inconvenient and distressing it may be, the duty to see this thing through *now* rests upon every one of us. It is the task to which we were called, the work which we voluntarily assumed, the trust that a popular mandate has imposed upon us. It can neither be delegated nor deserted. It is relentless in its demands for immediate and patriotic consideration.

In my inaugural message I attempted to direct your attention to the necessity for a balanced budget and stern economy. In aid of this, I endeavored to point out certain possibilities in readjustments and consolidations. Your attention was also invited to the whole field of governmental activities, to the end that all possible might be done in the way of eliminating unnecessary expenditures and the avoidance of new taxes. Through your committees and as individuals you have given much thought and effort to this enterprise and as a result certain outstanding legislation along this line now is on our statute books.

The work of your appropriation committee, the original Advisory Budget Commission bills and the substitutes prepared by some of your prominent and diligent members, along with various programs for balancing the budget, are all now before you. You have as well various suggestions for supplementing the diminishing revenues of the State, with all of which your membership is thoroughly familiar and with regard to which, in most instances, opinions are well developed and members ready to vote. Perhaps it would not be amiss to endeavor for a moment to get our bearings or rather to restate the problem we face.

Our debt service requirements for each of the next few years, exclusive of any payment on our accumulated current deficit, will exceed four and a quarter million dollars. If we are to prepare to retire the deficit in ten years, as is usual in such cases, an additional million would be expected.

Our departmental and institutional expenditures have been greatly reduced from the peak of about nine millions, but on the basis of your own appropriations committee's recommendation (after a reduction of over 25 per cent under last year's spending and nearly 60 per cent under peak spending) still require about five millions. Our annual and irreducible burden of highway bond maturities and interest thereon aggregates approximately nine millions, which when deducted from a reasonably estimated highway revenue of fifteen to sixteen millions, leaves from six to seven millions, at the outside, to maintain our 55,000 miles of state highways and county roads and do the work that heretofore has required nine to ten million dollars. In view of the monthly decline in gasoline revenue since last July and the terrific falling off in the automobile license issues, there is no substantial hope of realizing the seventeen millions used as the basis of certain programs, and certainly none of having any substan-



tial surplus which could be diverted to other usage, even if such were proper or desirable. And when we recall that there is in the highways an investment of some two hundred millions which inadequate maintenance would seriously and immediately jeopardize, the futility as well as the folly of expecting help for other activities out of the highway fund is manifest. Frankly, any cutting of maintenance below the level of your appropriation committee's provision involves a serious threat to this great investment and activity of the State, and I again urge that this Assembly move slowly and cautiously along this line and refrain from taking a step which might work an irretrievable hurt and an inestimable loss.

The obligation to maintain our schools arises out of the Constitution—fundamental law that governs us all. You will find it set forth not only in the Declaration of Rights, but in the opinion of our fathers, education was of sufficient importance to demand a special article (article 9) in the Constitution. Here the duty to provide “by taxation and otherwise for a general and uniform system of public schools wherein tuition shall be free” is mandatorily placed upon the General Assembly, and a further provision that certain schools “shall be maintained at least six months in every year” is here written.

Our six months term cost the State last year, in direct provision, approximately sixteen and a half millions. This does not include, of course, the aid to extended term given by the State, for which one and a half millions were appropriated and \$875,000 actually expended. Prudent estimates indicate that our present revenue bills—exclusive of the fifteen cents levy to which we are pledged and in honor bound to relieve—would yield approximately sixteen millions. Any estimate beyond this is, in my judgment, too high as not making sufficient allowance for shrinkage, particularly in income and franchise yields.

The highway possibilities, as already noted, should be cautiously placed at fifteen millions. There is no reasonable possibility of recoupment from this fund, even if it were desirable or consonant with our past pledges. Your finance committee bills—exclusive of sales tax provisions—after careful checking, I am informed, cannot be prudently counted upon to yield in excess of seventeen millions. How then, without a sales tax or some equivalent income producer, is the prudently estimated revenue total of thirty-one millions under present and thirty-two millions under proposed revenue bills, to meet, exclusive of schools and road



maintenance, revenue necessities of four and a quarter millions for debt service, five millions for departments and institutions, nine millions for highway debt service, and one million for application to our accumulated deficit—a total of nineteen and a quarter millions? Deducting this nineteen and a quarter from the two revenue proposals leaves a balance available for schools and road maintenance under the present law of eleven and three-quarter millions and under the committee bills of twelve and three-quarter millions and *nothing whatsoever left as a cushion or safety margin to absorb any shrinkage that the times may reasonably be anticipated to develop*. This is highly essential in any plan of sound and assured budget balancing. It would seem that without the sales tax provisions, and upon the basis even of their scant provision, each and every plan of budget balancing so far proposed is headed towards another deficit.

A moment's consideration of these figures makes manifest also the impossibility of balancing our budget without additional revenue in substantial sum or doing one or more of the following things, namely: crucifying the credit of the State by failing to provide funds to meet its bond maturities; crucifying the schools by providing only a skeleton six months' term and assuring thereby the collapse of our educational structure; crucifying the highway system of the State; or crucifying the various state institutions and necessary departmental activities of the State.

Let us not deceive ourselves. There isn't anybody who seriously thinks the credit of the State can be maintained by ignoring, as some propose, our maturing obligations, general or highway, or that the executive could, under such circumstances, float a bond issue covering our present deficit, much less accomplish refunding of those so neglected. We would pay the price and suffer the penalty of such default for generations. There isn't anybody who seriously thinks the 55,000 miles of state highway and county roads can be maintained on much less than the appropriation committee's provisions for this work. There isn't anybody who seriously thinks the schools can be maintained in any sort of efficiency, even for six months, on the starvation wage of ten million dollars, or that the abandonment of extended term levies without state provisions does not mean a complete breaking down of our educational system and the crucifixion of the child opportunity in North Carolina. There isn't anybody who seriously thinks that the state departments and institutions, which for weeks since your assembling have been subjected to

severest examination and scrutiny, can adequately function on less than the committee bill provides.

My friends, we are facing a collapse of our credit, a collapse of our highway, educational, institutional and governmental activities. We cannot ignore the challenge to preserve them; we cannot forget the constitutional obligation that rests upon us to "carry on."

I believe in economy—drastic, rigid economy. I have preached it. I have practiced it. I shall continue to advocate it. I shall continue to stand against wastefulness and extravagance in any activity. But there is a point, even in economy, beyond which self-respecting government cannot go. For to do so means not merely an abdication of its functions but social bankruptcy, collapse of morale, and repudiation of our constitutional, social and political obligations. Government must make reasonable provision for the activities contemplated by its constitution or it surrenders and invites the scorn and contumely of its citizens and the world at large.

We are not dealing here with the loss of homes and firesides through tax foreclosures. We are doing and will continue to do everything possible to prevent these, and this legislature has made substantial strides in that direction. Indeed, the plan hereinafter proposed will afford the greatest relief ever given by government to property owners and the broadest protection against foreclosures through abandonment of heavy taxes against them. We are simply facing a terrific emergency and the manifest necessity for the levy of some new taxes if the schools and the State's credit are to be saved from utter wreckage. A six months term with no chance for extension is a poor educational opportunity at best; inadequately financed, it is a delusion, a snare, and an utterly unjustifiable waste and extravagance.

Again, a very few thousands, which in the general scheme of economy amount to little, may bridge the boundary between life and death, may prove the sale that will save the University, the Board of Charities and Public Welfare, and kindred activities.

In such dilemma our thoughts turn naturally to the sales tax field as the most usually discussed. If you know a better way through which a sufficiency of revenue may be produced, and which will not destroy our homes or cripple our activities, in the language of the street, "go to it." Frankly, under our present constitutional limitations, I do not. The prerogative of choosing methods, however, is yours. I can only beg that you follow the

one which in your judgment will rest less heavily on the lives, the habits, and the activities of our people. My concern is adequate though economical provision and an unmistakably balanced budget.

You will permit me in passing to observe that I am quite sincere in saying that I loathe either form of sales tax, but I love the honor and credit of my State and the maintenance of its self-respect more even than I dislike such impositions. There are some things more odious, more undemocratic, more objectionable even, than this form of taxation. They at least have the virtue of universal application and something of relation to ability to pay, if spending has reasonable relationship to income.

In campaign declarations on this question I have invariably coupled my opposition to such taxes with the statement that they were justifiable only as temporary and emergency measures, to save the credit of the State or keep going its essential activities. That moment has apparently arrived. If it is a choice between a sales tax on the one hand and a decent school on the other, I stand for the school. God helping me, I cannot do otherwise.

Besides, we have secured credit extensions for the State under the assurance of budget balancing beyond cavil or dispute. Our good faith is pledged; budget balancing is imperative. The suggestion that in such insistence we are worshipping a fetish is unwarranted; we do but indulge the honorable impulse to make reasonable effort to pay our debts. Surely there is no disgrace in this. It is the other road which leads to dishonor and shame.

Having seen that some form of sales tax, or other new tax providing substantial yield, is inevitable if we are to discharge our obligations to the essential activities of the State (including an adequately financed six months term) and save its credit, I am impressed that an opportunity is here presented which this General Assembly cannot afford to ignore and I have come unhesitatingly to that conclusion.

I earnestly beg, therefore, that this legislature establish a state-wide uniform state-controlled school system; that you abolish, immediately, all local levies for extended terms and all special tax and charter districts, save only for debt service; that you appropriate for the conduct of this school such sum as will make, on a basis of real economy in administration and conduct, reasonable provision for it; that you set up a board with wide and plenary powers that will administer this fund so as to carry on in North Carolina a school for a full eight months term, or



as near it as the funds available will permit; and that this fund, as all others, be subject to budgetary cuts if revenue realizations should not match expectations.

This board should be vested with ample powers to work out economies in curricula, teacher load, regulation of repeaters, and other similar administrative matters, in order that our people may be provided with the very best schools our presently limited resources will permit and our constitutional obligations may be discharged.

It is my sincere belief, and in this opinion I am supported by many who have carefully studied this question, that, with the savings and economies I have in mind, this can be done on an appropriation which is comparatively little, roughly, ten or eleven per cent, above the fourteen million, fifty thousand dollars provision of the original budget bill for school aid and considerably below not only the provision of the last legislature for state aid to schools but also below the actual spending last year in aid of the six months term under that bill, which totaled sixteen million, three hundred seventy-five thousand dollars.

Such a step would immediately relieve property, not only of the fifteen cents levy (which is our solemn pledge and inescapable duty) but also of an additional average of twenty cents for a total average of thirty-five cents, and would thus work a saving not only of millions to the state government but also of more millions—approximately seven millions—to the counties, cities, towns, and districts by the elimination of all special tax levies for school support. It would be the greatest economy, the most constructive and far-reaching step in behalf of our people and in relief of their homes and farms, afforded any people in modern times; would place North Carolina in the forefront of states, not only in accomplished economies and *ad valorem* relief, but in the field of education as well; would afford an infinite relief to the property owners throughout the State from the specter of tax foreclosures so constantly haunting them, and would give also a breathing spell to our presently burdened business activities. Everyone would share in the benefit. Even the merchant through relief of his stocks from *ad valorem* levy, would profit infinitely more than he could possibly lose in any necessity to absorb a part of the new tax levy. At least, too, even if budgetary cuts should later prove necessary, we could preserve the skeleton of an eight months term and the child opportunity which our

Constitution, our traditions, and our political promises contemplate.

To the suggestion that a new tax can be avoided by further slashing of appropriations, I would say that we could save more money by closing down all operations and activities, but what would become of our self-respect and how could we square such action with the obligation to maintain, which our Constitution imposes? And the curtailment of provision below a certain point means, in almost every case, an inadequate functioning, which is waste. And if it be said that a sales tax, if such should be adopted, will bring a storm of protest, I would observe that so far the protest has come largely not from those who will pay, but from those who in the main will only collect. We can take steps to see that the fullest possible opportunity to pass on the tax is provided and the relief which this class will receive under ad valorem abandonment will more than compensate for the part which it will be compelled to absorb.

I can see the possibility of a mistaken judgment, but I think I know the hearts of our people. Just now they are burdened and sorely oppressed primarily with property taxes. We are proposing to relieve these. I am one of those who think that if their homes are secured they will proudly pay their pennies rather than permit the destruction of that which is near and dear to their hearts, namely, their children's opportunity. Be assured also that the storm of such protest will be as nothing compared to the storm which the failure to provide will assuredly provoke, if not now, then very soon—a storm whose relentless waves will be beating upon our political fortunes for years to come.

There is another side of this proposal, which to me is particularly appealing. Here is a real chance to establish in our schools that equality of opportunity between the city and the country boy and girl of which we "long have dreamed and oft despaired of."

And lastly, we may as well face the facts—the present system of extended terms through ad valorem tax has completely broken down. It cannot continue through this year, much less the year to follow, and unless the system here proposed is adopted the educational structure of our State will collapse.

I have been told that the cause for which I speak is dead—that the fight is already lost in this General Assembly. I do not believe it. Those who so express themselves mistake the temper of

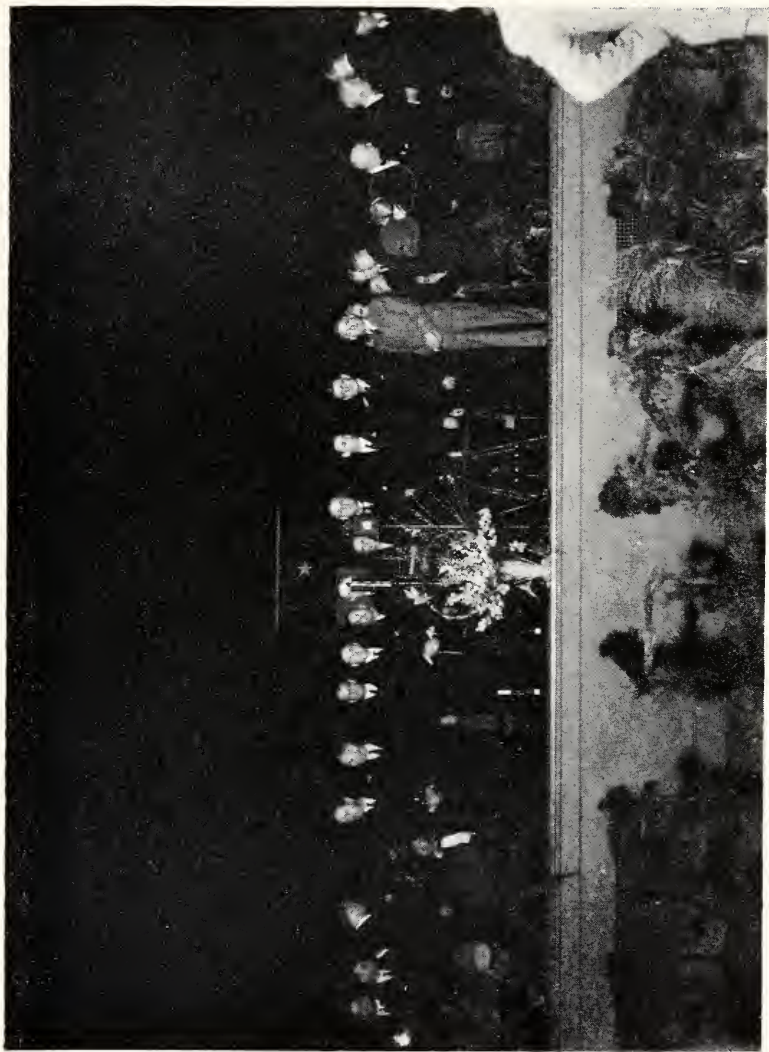


its advocates and the views of the great rank and file of the people throughout the State. We who preserve our essential institutions and activities are not alarmed. We have not yet begun to fight. The people will rally to our support and our cause will triumph.

We are facing a new day. The country, which for so long has staggered under a terrific depression, has now, under the exalted and inspiring leadership of our President, set its face towards the rising sun. The optimism which is becoming increasingly widespread, has even suggested in some quarters the possibility of an extra session in the future to keep step with the advancing prosperity. In the tasks which confront you in this General Assembly, there is challenge to our capacities, our courage, and our patriotism. We must, of course, practice a diligent enterprise towards economy, but let us not surrender to a philosophy of fear or adopt a demeanor of despair and defeatism. These problems are not of our creating. Perhaps we had nothing to do with the making of the debts which now weigh heavily upon us. But ours is the present responsibility to provide and, please God, we shall measure up to it and that without neglecting provision for necessary state functions. We cannot all have our way. Legislation necessarily contemplates the submergence and accommodation of conflicting views. I am ready to submerge my own, as this message shows. I am persuaded that in the plan here offered lies real opportunity for early adjustment of opinion differences and a chance to get back to our routine lives.

One thing more and I am through. If a sales tax is levied, it should be levied with the distinct understanding that it is an emergency measure, adopted for the period of the emergency, to save the State's credit and keep going its essential activities. I believe it should be earmarked for schools, as our highway revenue is earmarked for road purposes, and with this understanding I have no fears of its ready and cheerful acceptance by our people. Briefly, my proposals are these:

1. Preserve the credit of the State by balancing the budget, even at the cost of a sales tax, and make sure provision to keep it in balance or prevent an im-balance, by making all appropriations subject to budget cuts.
2. Preserve the school opportunity in economy by the provision of a lump sum, with a board to administer it, as hereinbefore pointed out.
3. Preserve the homes of our citizens from the foreclosures



Inauguration of J. C. B. Ehringhaus, Memorial Auditorium, Raleigh, January 5, 1933. On the stage are A. L. Fletcher, Commissioner of Labor; W. A. Graham, Commissioner of Agriculture; Dennis G. Brummitt, Attorney General; Governor Ehringhaus; Walter P. Stacy, Chief Justice; O. Max Gardner, retiring Governor; A. H. Graham, Lieutenant Governor; Stacey W. Wade, Secretary of State; Baxter, Durham, Auditor; Heriot Clarkson, Associate Justice of Supreme Court; George W. Connor, Associate Justice of the Supreme Court; and others.



which present ad valorem taxes threaten and reduce the tax load which now weighs heavily upon them by abolishing special levies for support of extended term.

4. Preserve the highways and our great investment therein from the waste and losses which inadequate maintenance provision would certainly entail.

5. Preserve our institutions and departments from the destruction which too heavy curtailment threatens, to the end that they may continue to serve our citizenship and prepare the youth of our land for better service to the State.

On this rock we shall build our state of North Carolina and the forces of ignorance, inequality, depression, and despair shall not prevail against it.

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## ECONOMY RECORD

### SPECIAL MESSAGE<sup>1</sup>

MAY 15, 1933

*To Members of the General Assembly:*

May I not, in these closing moments of your 1933 session, express to you collectively, as I have tried to do to many of you individually, my sincere appreciation of the splendid work which you have done in the most difficult days of modern times. It has been particularly pleasing to me to note that though differences of opinion were freely expressed there has been an almost universal regard for the rules of good sportsmanship and recognition of the essential patriotism which was behind them. This is altogether healthy, and though each of us may find in the final results things that are not exactly to our liking, the sum total of your accomplishment is, in my humble opinion, a splendid contribution to the welfare and progress of the Commonwealth.

In the first moments after adjournment there may be something of misunderstanding, but time will bring to the people an ever increasing conviction of the essential righteousness of what has been done and approval of the course which you have pursued. For time will show, as nothing else, that you have

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<sup>1</sup>When the legislature had been in session 113 days and had practically finished its work, Governor Ehringhaus brought this message of good will.

wrought a substantial economy, a substantial reduction in tax burdens upon property, a preservation of the essentials in our civilization and the fundamentals of our economic and social progress. No government on the continent can surpass your record of achievement in economy, and yet you have pioneered in making North Carolina the first state in the American union to guarantee to every child within its borders an eight months school term at state expense.

And last, but by no means least, by provision for a real and unmistakably balanced budget you have preserved the credit of the State in the most difficult time within our memory and given proof once more to the world of North Carolina's high regard for its good faith pledged and determination that its honorable obligations shall be honorably met.

It has been a pleasure for me to coöperate so far as possible with you in the labors which have engaged our attention, and individually as well as collectively you will depart with my admiration, respect, and very sincere good will. It is for those of us who remain here in office after you have gone to carry on according to the pattern which you have fashioned.

In ancient Rome at the beginning of a gladiatorial contest the gladiators stood before the emperor and gave the pledge: "Hail, Caesar, we who are about to die salute you!" In the presence of this splendid General Assembly which is now approaching its dying moment, those of us who are left behind would reverse the ancient pledge and say instead: "General Assembly, we who live on in service of the State when you have gone, salute you!" You are entitled to and will receive a faithful effort to carry out the provisions for the conduct of the government which you have made and the plaudits and commendation of the people whom you have so well served.

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## BIENNIAL MESSAGE

JANUARY 10, 1935

*Mr. President, Mr. Speaker,  
and Members of the General Assembly:*

To you, who have come here fresh from the people whom we serve, I extend my very sincere welcome to the Capital and assurance that I am looking forward with pleasure to our asso-



ciation as laborers in a common cause. Your wisdom and rich experience will enable you to make from time to time valuable suggestions, which you may be sure I shall gladly welcome and carefully consider; and whatsoever of information and experience is mine will likewise, at all times, be at your service. The recommendations which I may voice either now or later are not offered dogmatically or with any obsession of infallibility, but, on the contrary, are tendered in what I conceive to be the spirit of the constitutional provision which brings me presently before you and in the single hope and desire that we may coöperate in an honest effort to measure and meet the needs of the Commonwealth.

Retreating shadows are difficult to trace and an accurate appraisal of the past is never a simple task. Today we find it quite as hard to understand and interpret the maze and hurly-burly of yesterday as to unravel the mystery of tomorrow. But the elusiveness of both cannot excuse the failure of honest effort both to comprehend and envision. And that is the task which is yours and mine.

I have neither disposition nor desire to paint a dark picture or indulge in rueful retrospection. I am content, and it will sufficiently serve our purpose and the present proprieties, to chronicle a few recollections and results by way of stewardship accounting.

#### YESTERDAYS

And a consideration of our "yesterday" does not present an alluring picture. Like it or not, the depression had laid unduly heavy hands upon us, and just two short years ago North Carolina stood upon the very threshold of bankruptcy. Nor was it a mere fiscal bankruptcy which threatened the State. Real estate yielded no profit. The tide of foreclosure of homes, farms, and factories was running strong. Taxes were uncollectible. The financial structure of our governmental subdivisions had been completely undermined and the constantly increasing shrinkage of state revenue brought us perilously close to collapse in essential functioning. With the second highest bonded debt of any state in the Union rapidly approaching the peak period of its maturities, with an overdraft of \$15,000,000 in sight for the dying fiscal year, with a spending program in progress which was adding to this deficit at the rate of seven and a half million dollars annually, with the notes covering this deficit being called for

immediate payment, though bearing the highest interest rate known to the law, and with the banking structure of the Nation tottering to that dismal day soon to come when every bank in the country was closed by presidential decree, it was manifest that our credit was exhausted and that further loans were impossible. With a municipal debt load of paralyzing proportions, with more than sixty of our one hundred counties and about one hundred fifty of our two hundred sixty cities and towns in default, with our educational system (dependent then upon local tax support) facing chaos and collapse, with real estate manifestly no longer able to bear the tax burden or be counted a dependable source of revenue, with landowners clamoring for revaluation and relief, and with income and other tax fields near the limit of constitutional or prudential restrictions, am I far wrong in suggesting that the situation which confronted us was the gravest since Reconstruction?

In the face of such dangers, the voice of the defeatist was strong and strident and the counsel of despair was heard on every side. After sixty days of legislative study and effort, with no final action in sight, some went so far as to suggest temporary adjournment and that legislators trek home to "think it over." But the futility of such action, and the duty as well as the desirability of meeting the problem then and immediately, was soon made manifest. So steadfastness prevailed. How your predecessors met this emergency is now history. It is much easier to criticize the past than to offer remedies even in the present. Hindsight always enjoys an advantage over foresight. But even hindsight has failed to point a better way than that adopted in 1933. Whatever of defects some may sense in that action, none can deny this much of accomplishment.

#### ACTION

The General Assembly of 1933 recognized that the situation presented three closely allied problems or three phases of the same problem: the fiscal, the educational, and the land-tax question. These were the same sinister sisters which were haunting the peace of practically every other state in the Union. I welcome any fair comparison both of methods and results achieved here and elsewhere. At least we may set down here these indubitable facts by way of chronicling definite accomplishments during this administration.

## RESULTS

First. The people then demanded economy. They got it. Our general fund appropriations, exclusive of debt service which could not be cut, were reduced approximately one-third. This process of economizing proceeded to the point that the executive felt impelled finally to stand up and say, "Hold, enough! even if we have to accept a new unpopular tax"—a tax which, though accepted by the executive and the General Assembly only in the darkest moment of the depression, had been put forward and espoused much earlier (not as a temporary expedient, but as a permanent taxing policy) by some of those now most critical of it and of the administration for defending its acceptance.

Second. They asked for revaluation and relief of real estate. They got these too in the greatest measure anywhere chronicled. Land values in North Carolina, as a result of the revaluation provided by the last General Assembly, were reduced by nearly \$900,000,000.00 (practically one-third of the previous total), and real estate enjoyed an average relief throughout the Commonwealth of nearly  $33\frac{1}{3}$  per cent, or 35 cents on the \$100.00 valuation. Let him who doubts or dissents look at his tax receipts.

Third. The total tax burden throughout North Carolina (state and local) was brought to a new low level of \$82,191,835.00 in 1933-34, which should be compared with the peak level of \$102,-131,265.00 in 1929-30.

Fourth. Since January 5, 1933, the State has made large payments on its outstanding obligations. Including payments to be made next February 15th, funds for which are already in hand and available, we will on that day have paid during the life of this administration a total of \$26,737,580.00 in principal and interest, of which \$11,866,000.00 represents principal. In other words, we are paying at the rate of over \$2,000,000.00 per month.

Fifth. By reason of state relief afforded the counties and municipalities, they have been able to make substantial progress in the liquidation of their own debts, and in the two-year period from January 1, 1933, to January 1, 1935, inclusive, the Local Government Commission reports, they have retired a total of \$51,899,495.79. Offsetting this with new bond issues in the same period aggregating \$5,310,000.00, we still have a net retirement or reduction of municipal indebtedness amounting to \$46,589,395.79.

Sixth. The State is once more living within its income, and the balance between income and outgo is being preserved and protected.

Seventh. Our credit as a state has been restored and is today as good as that of any commonwealth. Its remarkable recovery has been frequently the subject of national comment and praise.

Eighth. Our bonds, which on January 1, 1933, were selling at an average of around 89 $\frac{3}{4}$  cents in the dollar and in the next three months sank to lower levels, were on January 1, 1935, selling at an average of \$1.09 $\frac{1}{2}$ .

Ninth. We have been able to fund the \$12,230,000.00 of our short-term indebtedness in part at 3 $\frac{1}{2}$  per cent, at an average rate of 3.76 per cent—the lowest interest rate ever obtained by the State in more than one hundred fifty years of its history—and we have not yet emerged from the depression.

We have effected thereby an interest saving to date of funding of over \$200,000.00 and over \$2,000,000.00 during the lifetime of the bonds. The above saving is sufficient to pay (on the basis of present appropriations) practically one-fourth of the office and departmental costs of the State. Here is the soundest sort of economy.

Tenth. We have for the first time in many years come through the biennium without borrowing even in anticipation of taxes. Not one cent has been borrowed since this administration assumed responsibility, and the appropriation of \$25,000.00, set up by the last legislature for each year of the biennium to cover interest on said temporary loans, has been thus wholly saved—enough in itself to cover the entire appropriations for the governor's office. Indeed, based on past experiences, this item would equal \$125,000.00 per year, instead of \$25,000.00.

Eleventh. Through consolidation of the Highway and Prison departments, recommended by the governor to the last General Assembly and adopted by them, we have been able largely to put our prison population to work and bring it to the point where it no longer accumulates an annual loss of from \$200,000.00 to \$300,000.00 against the State, but is now for the first time in many years practically self-supporting. An audit of operations for the last fiscal year (ending July 1, 1934) shows a deficit of only \$63,604.38. This in spite of the fact that for six months of the year the Prison Department received credit for prisoners' work at the rate of 70 cents instead of 80 cents a day, the lowest rate which prevailed when the two were separate departments.



Had the rate of 80 cents per day been continued for the whole year—that is, had the same allowance been made for prison labor after as before consolidation—the Prison Department would have shown a profit for the highway fund. We expect to close that gap this year, so no longer can it be suggested that the Prison Department was “unloaded” on the Highway fund and a “diversion” of its funds thereby accomplished.

Twelfth. Through a reorganization of the Revenue Department we have realized our ambition to make of it a collecting rather than a receiving agency. What is more, through the installation of the most modern business methods its efficiency has been increased in many ways. In spite of critical suggestions, we have proceeded quietly with the work in hand, guided solely by a desire to increase efficiency and promote economy. Today North Carolina's revenue is being collected at a cost of less than  $1\frac{1}{2}$  per cent—a record which I do not believe is equaled by any state in the Union. Today also that revenue is being collected more promptly and more efficiently than at any time in the State's history. By way of illustration, while in 1933 the income tax rush required the addition of thirty-five temporary helpers for some sixty days, through improved methods of handling in 1934 not a single temporary worker was required and the work was up to date each night, with checks deposited in the bank. Again, in the collection of license B taxes, we were able to show in 1934 an increase of a million dollars on the same items. In franchise tax collections, too, preliminary statements brought in prompt responses. The bad check account, so long a matter of concern, has been greatly reduced and gasoline delinquencies of long accumulation have been collected or are in process of active collection and additional or new ones absolutely avoided. Best of all, there is a new spirit among the workers and a state-wide recognition of improved enforcement and collection methods which, because they are impartial even though vigorous, are being generally commended. By such methods, insuring reasonably full realization on all taxes levied, and a constant realization of the truth that all taxes are levied to be collected, we have built up a more wholesome support for the department. Only by following them have we been able to maintain a balanced budget. Failure to press collections vigorously for the last year would have resulted inevitably in another deficit, with its consequent ills.

In bringing about these results we have sought to obtain the



coöperation of the entire force, and they are entitled to the thanks of the Governor and the legislature, as well as the commissioners, and each and all, I am sure, take pride in what has been done. The informational resources of the department will be at the service of the General Assembly constantly, and I am sure you will find prompt, cheerful, and accurate responses to your every inquiry.

Thirteenth. The Department of Conservation and Development has been set up anew on a basis of efficiency and insistence upon technical training for technical jobs—a setup that has met with state-wide commendation. In the report of its director it will present its needs and its program in detail for your consideration and present to you the minimum of its requirements for adequate functioning.

Fourteen. In the work of the parole commissioner, too, we have made a distinct and definite progress toward a sound and scientific parole policy. His report, which will be available for your study, presents clearly the work and the needs of this service. We have, as he so well points out, endeavored to make the exercise of executive clemency a part and parcel of the State's law enforcement machinery—to supplement rather than supplant the work of the courts, to encourage and increase the hope of worthy applicants for parole, and to build up a conviction that clemency comes only out of merit, and is not the child of personal or political favor. I venture the opinion that this concept of executive clemency has never been more prevalent in North Carolina than now, and that there has never been a more widespread respect for and confidence in the high purpose and effort in this enterprise. The work of the commissioner has been limited by inadequate appropriations. The assistance of the additional supervisors from the Highway and Prison Department contemplated by the last General Assembly has been lacking because, due to its own inadequate maintenance fund, that department could not spare the personnel for this work. This condition should be remedied.

Fifteenth. The Division of Purchase and Contract and The Budget Bureau have functioned during the biennium with a new maximum of efficiency and minimum of friction.

Sixteen. Under direction of the last General Assembly a new setup has also been effected in the Utilities Commission. The commission has been selected with a view to obtaining an unusually competent and experienced group which would be fair

alike to utilities and the people. Their labors have already brought rich rewards to the people in reduced rates, aggregating hundreds of thousands annually and nearly three millions in the last two years. The future will, I am confident, bring additional proof of their high consecration. The needs of this activity will be later presented.

These particular departments and bureaus have been mentioned here because they are, strictly speaking, a part of the Governor's office or have been operated under executive appointment. The other departments also are entitled to commendation for their coöperation and accomplishments. They will each present reports of their activities, needs, and suggestions, which I commend for your consideration. The Banking Department particularly has been required to meet a major crisis, and, under the emergency legislation, conferring extraordinary power upon the department and the executive, has functioned so efficiently that today North Carolina stands out as the only state in the Union with all banks under state supervision rated as number one banks.

### TODAY

Let me turn now from the past to the present and list for your consideration some of its problems and my recommendations thereon. The gravity and uncertainty of the general situation two years ago created in the minds of the public an insistent demand for stringent economy and restricted spending. The results of this demand have been chronicled in dollars and percentages, but have not been set forth in terms of the sacrificial service of the State's employees in every phase of its activities. Since that date the cost of living has advanced and the losses entailed by salary cuts have become more acute. The hard necessities of that day cut deeply also into maintenance and constructive activities, and though service demands have increased, potential response has been greatly diminished. This, too, applies to all departments, activities, and institutions of the State.

Recognizing that we are still under the shadow of the great depression, and that there is still imperative necessity for cautious spending and the avoidance of rash commitments, I have no difficulty in sensing a changed situation. Today, in answer to the demands of decency as well as deserts, the great necessity is for an increased wage and provision all along the line and for

as rapid and near approach to pre-depression levels as our circumstances and a sound fiscal policy permit. This does not mean that I feel that the danger point is passed or favor letting down the bars indiscriminately. There is still need for great caution. But the tide has turned and the day has come when we should start resolutely and with a measurable step on the journey toward normal and adequate functioning and compensation.

The major spendings of the State, of course, are centered in two activities—schools and roads. The debt-service item likewise looms large. But if we continue to insist, as above all we must, upon the maintenance of a balance between income and outgo and the provision of a dollar of taxes for every dollar of appropriation, the day of its lightening and ultimate disappearance is within sight. Fifteen more years will put us comparatively on "Easy Street," with revenue possibilities ample and chance to meet every requirement of the most advanced social program.

We need and must have a substantial increase in our appropriation for schools. Teachers' as well as other salaries are at much too low a level.

I am not, however, one of those who see only bad in the present educational setup. Indeed, I am persuaded that those who indulge in such suggestions do the State, the schools, and themselves real disservice. They do not voice disinterested outside opinion; on the contrary, they contradict it. We can never base progress on misleading propaganda. Expendiency as well as honesty demands fair appraisal and fair approach to the problem. In spite of deficiencies in the present setup, these merits cannot be denied:

(1) An eight months term has been assured to every child without ad valorem taxes.

(2) For the first time an approach has been made to real democracy in educational opportunity and in the provision of equality of opportunity between the city and the country boys and girls.

(3) This is not the maximum possible, but the minimum. The right of supplementation has been preserved to the various units, to be exercised if they desire it. If they fail so to vote, the failure is theirs, not the State's. Let us place the emphasis where it properly belongs. The people can have just as much

more of educational opportunity as they desire and can and will support.

(4) North Carolina was the only state, save possibly one, that kept her schools open through all of eight months last year. Even great states like New York, Pennsylvania, Ohio, Illinois, and Massachusetts saw many schools close in the face of ambitious little children.

(5) North Carolina was the only state to provide eight months employment for all her teachers and pay them promptly and in cash.

(6) North Carolina carried on last year, and is still carrying on, *the greatest transportation* enterprise of any state in the Union. Over 250,000 children, more than one-seventh of all transported in the Nation, were daily carried to school.

(7) North Carolina, through action of the last General Assembly, increased its average school term a total of nearly seven full days—one full school week and two extra days—*the greatest single advance in school term ever made here or elsewhere*. In every other state in the Union I am informed the average length of term showed some *decrease*.

(8) There was more advance provided for Negro children in North Carolina than in any Southern state.

Show me a parallel to this progress made in any state of the Union. If hard times have dealt heavily with the schools of North Carolina, they have also dealt in like manner with those in other states. National and other state authorities have been “thanking God” for North Carolina’s resoluteness and results. We have preserved the foundation; we have strengthened and made it ready for that advance which now we contemplate.

Nor is the problem of obtaining better schools soluble in terms of increased salaries only. It is entirely possible to spend twenty-five or even more millions without achieving very great improvement. If, as we frequently hear, many of our most efficient teachers have been driven by low salaries into other fields of activity and their places filled by incompetents, to the detriment of the instruction offered, then merely increasing salaries is not going to bring them back or improve the service of such low-priced incompetents as may have crept in. We must take steps to see that such a calamity is prevented, or otherwise “the last state” of the schools would be “worse than the first.” We must constantly keep in mind the fact that there are two



groups vitally interested in and affected by our schools—the teachers and the taught. We must deal fairly with our teachers, but it is even more imperative that we deal fairly with the children who are taught. The latter are primarily the object of the State's concern. We should pay adequate salaries not for the benefit of the teachers—even the most proficient teachers who fully earn their recompense—but for the benefit of the children and to secure for these children the best instruction available.

New York maintains a high teacher salary level, but New York also demands much in teacher qualifications. And while I have no quarrel with those who hold to the view that the teacher load must be limited, I am rather definitely of the opinion that I would rather have my child in a room with a good teacher and a large number of pupils than in another room with few pupils and an inferior instructor.

#### CURRICULA

The State is also interested in the character of instruction, the curricula of the school, which should be designed to fit the child for citizenship. The great man whom death relieved but recently of the duties of state superintendency had visioned this and inaugurated an effort to improve the curriculum and adapt it more nearly to the needs of the many. The good man who has succeeded him no doubt will carry on this enterprise. I hope that we shall make provision for and insist upon this work and that we may increase the standards of the teaching profession constantly until we are assured always of the best.

#### NEGRO SCHOOLS AND COLLEGES

I have myself also caused to be made a study of conditions peculiarly applicable to the Negro schools in North Carolina, and the results of this study will be available for your consideration. We should be careful to see that justice is done our Negro citizenship.

#### SAVINGS ON SCHOOL BOOKS

In connection with our consideration of the schools and their necessities, I venture also to call your attention to the report of the School Book Commission submitted to the State Board of Education of North Carolina in January, 1933, and particularly to its study of the problem of cheaper books for our school chil-



dren. It is my earnest desire that at the earliest practical moment we adopt a policy of school book rentals, which will immediately insure a great saving in school book cost to our children and patrons and which can be gradually developed to provide ultimately free textbooks for all children. This recommendation is made not for the purpose of adding to but rather of subtracting from the cost of public education in North Carolina. The provision of books and materials for each child at the beginning of the school term will result in greatly increased efficiency in classroom instruction and remove, as well, an outstanding cause of irritation against the schools. Under present conditions it is estimated nearly 25 per cent of the children are so late in obtaining their books that 12 to 15 per cent of classroom efficiency is lost for the year. On the basis of an eight-months term, this means a practical loss of nearly one and one-third months. The cost to the State in repeaters and otherwise is incalculable, to say nothing of the loss to the child. I realize that it is probably impossible to accomplish this immediately, as the State now lacks the funds to make the necessary initial investments and a borrowing at this time is inadvisable. But I believe that a plan may be worked out which would put us in a position to proceed if opportunity presented itself and to accomplish a gradual, if not an immediate, shifting from the present to the rental plan.

#### UNIVERSITIES, COLLEGES, AND INSTITUTIONS

Our higher institutions of learning likewise have suffered as a result of the depression. They were, of course, included in our thoughts above voiced with reference to salary levels and provisions. Likewise, too, plant maintenance and provision of greatly needed additions have been curtailed by the economies growing out of these lean days. The same is true also of our charitable and correctional institutions, which have been seriously handicapped. The need in each and every instance is manifest and worthy. It is presented in their individual reports. Our response is and should be limited only by the necessity of preserving a balanced budget (without which all activities would collapse) and the ability of our people to bear increased tax levies.

#### INCREASE FOR HIGHWAYS

Our highways also require large spending. Not only are helper wages too low, but maintenance provision entirely inade-

quate to cover the necessities of nearly 60,000 miles of highways. Real loss through deterioration has resulted from enforced economies. We cannot afford to jeopardize further this investment of nearly 300 million dollars.

And there is equally good necessity for some provision for construction, not only to meet Federal funds requiring matching, but also by way of response to pressing needs, particularly in areas on which Federal aid may not be obtained. In any abandonment of construction it is the outlying country roads, those in sparsely settled sections of our State, which suffer most. Understand me—by “construction,” it is not intended to propose an orgy of “system expansion,” but rather road betterment at points where betterment is essential to service and safety.

#### DIVERSION

I am just as much opposed to diversion of highway funds now as during the last General Assembly. Not only are these funds, paid solely by motorists, morally and many think legally committed to these purposes, but under Congressional enactments loss of Federal funds also would result from such diversion. Besides, the much discussed highway surplus—resulting entirely from starvation of both maintenance and construction—will, after payment of debt maturities in July, fall far short of many reckless estimates. It is also obvious that if it should be diverted it might satisfy the cause to which it was diverted for a brief period only, but at the end of this period our dilemma would be increased, since our surplus would then be gone and we would be faced with the same desirabilities or necessities which now suggest its appropriation to other purposes. Personally I dissent from the suggestion sometimes made that the prevailing school sentiment has designs upon this surplus. Personally I refuse to believe that the prevailing school sentiment has any more desire to encroach upon the highway fund than the advocates of highways have to rob the schools. Highways and schools are, or should be, coördinated activities, and each, in a very real sense, is dependent on the other for adequate functioning.

#### CHANGES IN OFFICIALS

The Highway Department has suffered a great loss through the illness of the splendid man who so long presided over its destinies. In his first waking moments his thought and his concern were for this work and for provision for carrying it on. Publicly

I desire to recognize his outstanding service and contribution to the State which he served. I believe too that we are happy in being able to obtain by way of succession to him the present chairman, who will give a fine and intelligent service to the cause.

### TOLL BRIDGES

In connection with the discussion of highways and their needs, I venture also to call your attention to what I believe to be the necessity to remove a discrimination that exists in certain territories. In a great state highway system there is no place for the toll road or toll bridge connecting state highways. In other days, when spending was allocated according to population and mileage, the handicap of such provisions prevented a recognition of fundamental equities. Under present conditions, where need without regard to geography is the controlling motive and where the necessities of the isolated are just as considerable as the requirements of those who dwell in congested centers, a different rule prevails. We cannot justify, under present conditions, continuance of toll charges upon the Cape Fear and the Chowan River bridges. The State should take, and this General Assembly should enact, the necessary steps to accomplish this elimination. The bonds covering these two bridges already are represented in the State's total of outstanding obligations. Debt service charges upon the two projects involve only a comparatively small addition to the State's debt service load, and simple justice to the sections concerned requires such a step.

### HIGHWAY SAFETY

Any consideration of highways brings immediately before us the aggravating and constantly increasing problem of highway safety. The mounting total of accidents appalls us and chills our enthusiasm for the enterprise of increased transportation facilities and enlarged opportunities for neighborhood contacts. If the highways continue to exact, through their improper use, the bloody toll of life and limb which now they claim, then their value may be seriously questioned. Constantly the executive has called upon the citizenship for observance of the rules of safety in travel. No opportunity is neglected and we have endeavored to give coöperation to every private or public enterprise which sought to alleviate this condition. Instructions and suggestions to law enforcing officers have been repeatedly given. The evil is

still with us and grows rather than diminishes. I would enlist your earnest consideration of the situation.

It is manifest that we can solve this question by no ordinary methods. Neither can nor will any law or action prevent evil consequences to drivers (and their passengers) apparently bent on suicide. The experience of some states with really efficient driver's license laws would suggest, however, the advisability of such enactment. A driver's license law designed only to levy greater taxes upon the motorist or to bring more money into the treasury does not command my approval and should certainly be avoided. To be effective, there must be a real limitation upon incompetent operation and real and inescapable penalties for those who prove themselves incapable or inattentive to the necessities of safe driving.

Neither do I cherish the delusion that the mere enactment of a driver's license law or any other law will solve this problem. There must be a constant, unrelenting, and real enterprise toward real enforcement by all public officials and the inferior courts—the courts of first instance, which are peculiarly charged with this duty. Above all, there must be an increasingly insistent public sentiment which demands observance of these regulations and the safety which should attend the use of this vital and valuable public facility.

In this connection also let me add to the suggestion of driver regulation, the desirability of increasing the highway patrol within the limits of our present abilities. The full policing of 60,000 miles of highways is out of the question, of course. Let us not forget, too, that fully 50 per cent of our accidents occur within city limits. The present force cannot possibly cover the entire State. We can greatly help, however, by adding to it.

#### ELECTION LAWS

Existing laws governing elections have been a subject of considerable criticism and under them practices have sometimes prevailed which were reprehensible and calculated to bring censure upon the State. This is particularly true of the so-called absentee ballot law.

I have no patience with indiscriminate and unjustifiable claims of fraud put forward primarily to cover disappointments or for partisan purposes, and I know that such claims frequently occur. I am quite certain, however, that it is almost as important for the people to think their elections are fair as for them to be in



fact fairly conducted. The various phases of this subject are fully covered in the report of the State Board of Elections, which I recommend to your careful consideration. I quite concur in the recommendation that the absentee ballot provisions of the law either must be so drastically amended as to avoid even the appearance of evil or repealed altogether.

We should seriously consider also the suggestion of separate party primary registrations as a means of avoiding participation by one political group in the primary election of the other.

Certain amendments to the law relating to meetings of presidential electors are necessitated by the change in the presidential inauguration date. A bill has been prepared to cover this and will be submitted for your attention.

#### SOCIAL LEGISLATION

Our schools are of course the greatest of our social activities. Their needs have already been discussed. There are other matters of social legislation requiring your attention.

#### CHILD LABOR

Child labor has already been outlawed under the NRA codes. The elimination of this social evil may be assured on exactly equal terms in all the states by the adoption of the proposed Child Labor Amendment to the Federal Constitution. Such legislation is peculiarly of national scope and significance and I therefore recommend to you its adoption as in line with the progressive thought and trend of the times.

#### SOCIAL INSURANCE

Pursuant to a resolution adopted by the last General Assembly, I designated a commission to study the unemployment insurance problem. Before its naming, however, I sought and obtained approval of a Federal project for its financing so that its work might be facilitated. Under the chairmanship of former Senator Burgin this commission has made a detailed study of the problem and the remedies now in use elsewhere. This study will be at your disposal and you will find it thoroughgoing and interesting. A model bill has also been prepared for submission to you which, subject to some few changes or exceptions, meets with my approval.

I am convinced that this General Assembly should take definite action to provide in North Carolina such insurance and that



its action should be in line with the Federal proposals and Congressional enactments on this subject. We have not as yet full information as to what Congressional action will be, but our State must put itself in line to provide for, as well as escape from, the penalties of such legislation.

Besides, as I have previously indicated, this is an advance in social legislation which our State should not fail to take as a matter of humanity and sensible provision against future industrial calamities. You will find here, too, some studies on old-age pensions, but our information on this subject is hardly sufficient to justify any present recommendation with reference to it. I hope, however, that authorization for a continuance of these studies may be made.

#### WORKMEN'S COMPENSATION

Employees in the industries of this State who lose the opportunity of making a living for themselves and their families as a result of occupational disease, contracted in their employment, are as much entitled to the benefits of the compensation law as those who are stricken down by accidental injuries. The workmen's compensation law should be amended to extend its beneficent provisions to include the occupational disease hazard. This clause should be definite in its nature and fair in its provisions both to the employers and to the employees in the distribution of its benefits and burdens and should affirmatively set out the risks included. I am persuaded also that teachers, so long as they are employed by the State, should be treated as all other State employees and included in the protection of the Workmen's Compensation act, and I so recommend.

Many employers in this State, by reason of the attitude of the insurance companies carrying compensation coverage, have found it difficult and sometimes impossible to insure their risks as required by the compensation law. Insurance companies engaged in this business in this State can and should be required by law to cover all insurable risks offered to them. Penalties should be imposed upon employers who consistently refuse to observe reasonable regulations for the safety of employees.

Compensation insurance rates have from time to time steadily advanced in this State, especially as against the smaller employers of the State. With the enactment of legislation above suggested it may become necessary to put into effect some system of state insurance in order to provide the necessary coverage at

fair rates. The subject of a state insurance fund is one which deserves the careful thought of the General Assembly as a measure to be put into effect in an emergency arising from failure or refusal of insurance companies to cover completely risks offered them in North Carolina at fair and reasonable rates.

#### CHARITIES AND WELFARE

Permit me also to bring to your attention and commend for your careful consideration the report of the State Board of Charities and Public Welfare and the specific recommendations therein set out. You may not find it possible to provide for each and all of these recommendations, though their worthiness is apparent, but I bespeak for the general program the utmost possible of your consideration.

#### EMPLOYMENT ACTIVITY

The unemployment situation continues to vex the State and the Nation. If the present Federal Reëmployment Service is to be continued beyond June 30, 1935, it must be supplemented by the State. It is folly for us to fail to make certain and have always available accurate information on the subject of unemployment, particularly if we are to adopt, as I trust we will, the policy of unemployment insurance. I commend for your consideration the recommendations of our Labor Department for the establishment and maintenance of a National Employment Service on a Federal-state coöperative basis. I also particularly commend and urge your careful consideration and approval of its suggestion as to provisions of legal machinery in the State for the adjustment of labor and industrial disputes.

#### OTHER LEGISLATION

There are other subjects now being studied by Federal agencies and on which legislation may be advisable in order that North Carolina may fully participate in the new National Recovery Program. I shall not hesitate to communicate my views with reference to these subjects or Federal proposals as occasion develops or to submit appropriate suggestions for your consideration.

#### VETERANS' LOAN FUND

The Veterans' Loan Fund, authorized and financed by previous legislation, has felt, as other activities, the heavy hand of the de-

pression. Foreclosures made necessary have accumulated, I am told, a large amount of real estate holdings and developed a situation which requires different treatment. The commissioner in his report to you will make clear this situation, and I suggest your careful study of the whole problem, to the end that proper provision may be made for adequate administration, the safeguarding of the State's interests, and the protection of the fund for all veterans.

#### CONSTITUTIONAL AMENDMENTS

The last General Assembly provided for the submission of a number of Constitutional amendments. These submissions, however, never took place, as a result of the opinion of our Supreme Court. While some of these amendments were fiercely debated, there were others of such manifest merit that no voice was raised against them. Personally I am impressed that legitimate objections to others could be easily removed. I am particularly concerned about the opportunities which some of them would afford to liberalize our tax structure, work out reforms in our judicial system, protect against excessive debt, and provide opportunities for legislation to encourage home building and ownership. These matters have long been of great interest to me. It is noteworthy that Federal income tax collections in North Carolina greatly exceed those paid the State, that ownership of humble homes is really penalized, and that the way to municipal debt accumulations is made comparatively easy under present Constitutional provisions. The possibility of reforming these and other conditions should not be lightly passed by. I venture to suggest, therefore, a study of this situation by you, to the end that, if possible, the undeniable benefits of some of these recommendations may be obtained for the people.

#### TAX FORECLOSURE LAWS

Legislation by your immediate predecessor has been construed in such a way as to leave in some confusion the presently existing tax foreclosure laws. The situation should be clarified by appropriate legislation, and I shall be glad to submit suggestions as to how it may be accomplished, though your own studies no doubt will suggest the remedies.

#### GENERALLY

During the months since the Assembly was last here our peo-

ple have been through many vicissitudes. They have also experienced some real triumphs, and definite progress along the road to recovery is everywhere apparent. Greatly improved farm prices are largely responsible for this. In all activities concerning the people the chief executive has endeavored to play a proper part and lend the weight of his influence and the power of his office. Whether a movement for improved prices, a crusade for the parkway in the West, an erosion enterprise in the Piedmont, the development of our ports, and all of them, in the East, our time, talents, and energies have been at all times available. Particularly too have we endeavored at all times to coöperate with each and every of the New Deal activities and in the National Recovery Program. We shall continue that attitude. And for such enterprise as you may also determine I pledge you here and now an earnest coöperation and a sympathetic understanding.

#### FINALLY

Men may differ in appearance, but the fundamental differential between individuals is in the character which they develop. And in the enterprise of state government we have striven earnestly to give to this administration something of distinctive character. It may fail in many ways to achieve its objectives: it may make in the future, as no doubt it has in the past, many and grievous mistakes. But I am resolved that, failing all else, it shall at all times be characterized by an unflinching integrity, an earnest sincerity, a determined effort towards efficiency and fair play, and a broad humanitarian sympathy. Again I welcome you to the comradeship of service to the Commonwealth and wish for each of you a real pleasure in the performance of your arduous but most important duties.

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## BUDGET REPORT

### SPECIAL MESSAGE

JANUARY 14, 1935

*To the Members of the General Assembly:*

In keeping with the statutory provisions on the subject, I am transmitting<sup>1</sup> to you herewith, (a) the report of the Budget Com-

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<sup>1</sup>This message accompanied the budget report and the revenue and appropriation bills for the biennium 1935-1937.



mission, (b) the budget revenue bill, and (c) the budget appropriation bill.

It was not deemed necessary to write anew the machinery law, as any desirable changes could be accomplished by slight amendments thereto.

You will observe that the revenue bill herewith submitted follows largely the presently existing law, including the emergency sales tax feature thereof, with the present exemptions eliminated and with certain other changes which were designed primarily to stop leakages and insure full collection.

In the preparation of this measure the commissioner of revenue and his department, the Budget Bureau, the Advisory Budget Commission, and the governor coöperated and it represents not only their painstaking and diligent study and effort but their combined best judgment as to what, under existing conditions and limitations, can be done to meet the demands for a measurable and necessary increase in appropriations without increasing existing levies or imposing new ones.

The measure herewith sent—recognizing both present aims and conditions—seeks to accomplish this purpose by the simple process of tightening up provisions in the present law and eliminating existing exemptions. Experience has indicated that these exemptions have provided far greater opportunity for escape of taxes justly due under the law than they have afforded in relief to those whom they were designed to benefit. They have constituted as well a rather constant source of irritation both to the merchants and their customers. Estimates also indicate that with these eliminated, with improved methods growing out of our experience in administering the tax, with a continuance of the present rate of increase in business conditions, and with a staff enabling more frequent and widespread checking of returns in all tax fields, the presently suggested measure should show an increase in each field and produce, during each year of the next biennium, enough in revenue to provide an additional two and one-half million dollars for our schools and, generally, to enable a general salary increase of 15 per cent. It should as well take care of the most pressing institutional and agency needs, as set out in the budget appropriation bill also herewith sent—needs largely attributable to the increased cost of things we are required to buy.

The revenue measure herewith submitted is not presented dogmatically, or with any sense of final infallibility. It recognizes a



continued existence of the same emergency which faced us two years ago, even though there has been an improvement in conditions and there is a rather general feeling that at last we are headed steadily toward recovery. It recognizes too that while we should take advantage of every advance or improvement, yet as long as this emergency continues it is incumbent that we proceed with caution and circumspection to avoid the temptation to over commitment.

From the statements in the budget report you will be able to ascertain the amount of revenue which is being presently derived from each source as well as the estimates of revenue for the next biennium under the existing and suggested provisions.

The emergency sales tax as presently set up will yield during this fiscal year probably seven and one-half million dollars. With the exemptions eliminated and the inclusion of the other "stop-gap" features suggested by way of amendment to the law, it should yield in the first year of the biennium \$8,750,000. Realizing that you as well as the executive desire to go forward as fast and as far as existing conditions permit, it may not be improper to suggest that reduced to the simplest terms the problem shapes up as follows:

For every 10 per cent of salary increase made the State will require approximately two million dollars of revenue. This approximation may be divided roughly as follows:

To cover increase of 10 per cent in teachers' salaries . . .	\$1,400,000
To cover increase in salaries of highway and other state employees . . . . .	600,000
Total . . . . .	<u>\$2,000,000</u>

Bearing this in mind and bearing in mind also that any enlargement of our general fund spending program will require an additional equivalent in revenue to offset it, these conclusions would seem to be obvious:

1. If the emergency sales tax feature of the revenue bill is eliminated we must deduct immediately from our estimates of its productive capacity \$8,750,000.

2. If the exemptions presently existing are retained we must deduct from our estimates for each year of the next biennium about \$1,000,000.

3. In the event of either deduction it is incumbent that we provide from other sources the amount of revenue so lost or cut appropriations accordingly.

4. If an addition to the 15 per cent increase suggested and provided for in the submitted measure is desired, then additional revenue of approximately \$2,000,000 for each 10 per cent increase enacted or \$1,000,000 for each 5 per cent increase enacted must be provided from other sources by the General Assembly.

5. Under present conditions, if such an increase is desired, about the only practicable source is an increase of existing rates which are now perilously close to constitutional and prudential levels.

6. Since, as above pointed out, the elimination of the sales tax feature of the bill would cut out of general fund revenues nearly 30 per cent of the total, I have no hesitation in saying that in my judgment the reënactment of the sales tax is inevitable, and I know of no other dependable field of taxation open to the State in which, under existing constitutional or prudential limitations, such a large sum can be provided.

I do not believe that it is the part of wisdom, nor do I think it in keeping with prevailing sentiment or the necessities of dependable provision that this tax should be at this time abandoned. To do so would paralyze every state activity; most of all our largest general fund spending agency, the schools. As pointed out in my biennial message, through diversion of the highway surplus we might accomplish the purpose temporarily and for a brief period only, but at the end of the brief period we would find ourselves more distressed and more perplexed than ever. Nor do I think that the burden should be put back on land or taken out of our appropriations for schools, wage earners or other governmental institutions and activities. The resources and information of the Revenue Department and the Budget Bureau as to possible revenue realizations from any suggested measure will be at all times available to you. But frankness compels the suggestion that none has come to our attention which would involve prudent imposition and also promise any very great yield as long as we remain under present constitutional restrictions. The return of reasonable prosperity will put quite a different picture before us. But even in the most improved sections of our State relief necessities, still great, show that we are yet some distance from that happy day.

The choice of methods is yours, of course. If your wisdom suggests a better or more equitable and dependable way to provide for our needs we shall be delighted. If you can find ways to avoid the sales tax or any other tax and provide for these needs we

shall not be offended. There is just one point upon which I am insistent and that is, *for every dollar you appropriate you should levy a dollar of dependable taxes*. We can never again afford to run into an unbalanced budget; the experiment has proven too costly; and correspondingly the value of a balanced budget has been demonstrated by our success in obtaining the lowest interest rate in our State's history and the restoration of the State's credit.

Let me repeat—it is imperative that we preserve a balance in our budget, not by way of following a fetish but to protect the entire governmental structure against that collapse which inevitably and invariably follows fiscal instability in state and municipal government and which was upon us prior to the last General Assembly. Not only am I opposed to diversion of highway funds but I wish also to record my most emphatic dissent to each and every suggestion that may be forthcoming either to cut down or fail to make provision for a reasonable advance in our appropriations as previously indicated, or to push back on land a part of this burden, or to take it out of the State's credit by failing to meet our obligations, or, last but not least, to take it out of our schools or wage earners.

You will observe also that we have endeavored to meet the demand for some state unemployment relief activity through an enlarged highway activity made necessary by deteriorated condition of our highway system. It is earnestly hoped that this special designation and its provision of opportunities for new employments will meet any and all Federal requirements on this score.

With these measures before you, you will be enabled to proceed promptly and patriotically to the task ahead, and I am content to leave the situation in your capable hands.

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## LEGISLATIVE BILLS SUGGESTED FOR CONSIDERATION

SPECIAL MESSAGE

APRIL 4, 1935

*To the President of the Senate and Speaker of the House  
of the General Assembly of North Carolina:*

Some time ago there was forwarded to me by the honorable the secretary of the interior of the United States several pro-

posed legislative enactments along with the suggestion that they first be submitted to the office of the attorney general of North Carolina for study and suggestion as to such amendments as might be appropriate and proper to make them conform to our North Carolina Constitution and laws and then be submitted for the consideration of the General Assembly. These measures have been carefully studied by the attorney general's office and slight amendments made in conformance with this suggestion. I beg now to transmit to you herewith the following bills for your careful consideration:

FIRST—A bill to be entitled an act to authorize cities and towns to issue bonds for municipal improvements for the purpose of financing or aiding in the financing of any work, undertaking or project to which any loan or grant is or may be made by the United States of America through the federal emergency administrator of public works or through any other agency or department of the United States of America, and to expedite the procedure for the issuance of such bonds.

SECOND—A bill to be entitled an act to authorize counties to issue bonds for improvements for the purpose of financing or aiding in the financing of any work, undertaking or project to which any loan or grant is or may be made by the United States of America through the federal emergency administrator of public works, or through any other agency or department of the United States of America, and to expedite the procedure for the issuance of such bonds.

THIRD—A bill to be entitled an act providing for the acquisition, purchase, construction, reconstruction, improvement, betterment, extension, operation, and maintenance of revenue-producing undertakings by any city, town, or incorporated village; authorizing and regulating the issuance of revenue bonds for financing such undertakings; and providing for the payment of such bonds and the rights of holders thereof.

FOURTH—A bill to be entitled an act to validate certain bonds heretofore issued and authorizing the issuance of bonds pursuant to certain proceedings heretofore taken by municipalities for the purpose of financing or aiding in the financing of any work, undertaking or project to finance or to aid in the financing of which any loan or grant has heretofore been or may hereafter be made by the United States of America through the federal emergency administrator of public works.

The first three measures above submitted are, as you will readily observe, submitted as necessary prerequisites to the participation by counties and municipalities in North Carolina in the proposed Federal emergency of public works spending. The fourth measure above is submitted not only for this purpose but also in compliance with the agreements heretofore entered into by various counties and municipalities in North Carolina in con-



nection with borrowings heretofore made from public works or other Federal departments. In my judgment, each of these four measures should be promptly enacted by the General Assembly substantially as presented.

Numbers five, six, and seven, respectively, "Housing Authorities Law," "Housing Coöperation Law," and "Eminent Domain Law for Certain Corporations" have been, after careful study and consideration, amended by the addition of a section attached thereto in order to bring them into conformity with state procedure and practice and further safeguard the citizens of the State against possible abuses. With these amendments incorporated I recommend also the passage of these three measures.

Attached herewith also are bills numbered eight, nine, and ten, entitled respectively: "State Electrification Authority," "Power District Law," and "Membership Corporation." I am submitting these three measures to you without comment or recommendation for your study and consideration.

Some time ago, at the request of the State Grange, I designated a committee for the study of the rural electrification problem in North Carolina and solicited and obtained, through the Emergency Relief Administration, approval of a project providing for the financing of a survey of the State in this connection. That survey has been made and has met with widespread approval. The committee has also, as a result of their studies, had prepared two measures looking towards the promotion of a rural electrification activity in the State, and bills embodying their views and recommendations on this subject have been prepared and presented to the General Assembly through their introduction in the Senate. I have reference, of course, to Senate bills Nos. 426 and 427. These two measures, already presented in the Senate, have been unanimously endorsed and recommended by the committee as peculiarly suited to the needs of North Carolina and as entirely responsive to the necessities of legislation as predicated for the Federal assistance contemplated. They have also my unqualified endorsement and approval, and I hope that they will be promptly enacted and that the rural citizenship of our State may thus be afforded an opportunity for the development of a real rural electrification program.

Lastly, I am presenting herewith a measure, designated as a bill to be entitled:



ELEVENTH—AN ACT AUTHORIZING THE STATE OF NORTH CAROLINA AND ITS SEVERAL DEPARTMENTS AND COMMISSIONS TO ISSUE REVENUE BONDS FOR THE PURPOSE OF FINANCING SUCH UNDERTAKINGS AS THE GOVERNOR, WITH THE APPROVAL OF THE COUNCIL OF STATE, MAY DEEM FOR THE BEST INTEREST OF THE STATE, AND AUTHORIZING THE STATE OF NORTH CAROLINA AND ITS SEVERAL DEPARTMENTS, AGENCIES, AND COMMISSIONS TO ACCEPT AND RECEIVE LOANS, GIFTS, AND OTHER ASSISTANCE FROM THE UNITED STATES GOVERNMENT AND OTHER AGENCIES.

THE GENERAL ASSEMBLY OF NORTH CAROLINA DO ENACT:

Section 1. The state of North Carolina and its several departments, agencies, and commissions, acting by and through the governor of North Carolina, with the approval of the council of state, are hereby authorized to issue bonds of the state of North Carolina in such sum or sums, not to exceed in the aggregate one hundred million dollars, in such denominations as may be given, and at such rate of interest as may be most advantageous to the State, the said bonds to run for a period not exceeding thirty years from date, which bonds may be sold and delivered as revenue bonds of the state of North Carolina: Provided, however, that the credit of the state of North Carolina, or any of its departments, agencies, or commissions, shall not be pledged further in the payment of such bonds, except with respect to the rentals, profits, and proceeds received in connection with the undertaking, for which said bonds are issued, and said bonds and interest so issued shall be payable solely out of the receipts from the undertaking for which they were issued, without further obligation on the part of the state of North Carolina, or any of its departments, agencies, or commissions.

This, you will observe, is designed to provide an opportunity for the state government, in certain instances, to participate in the proposed program of Federal spending authorized on the basis of revenue bonds payable only out of the receipts of the particular project financed and involving no liability beyond these receipts. The desirability of such legislation will immediately suggest itself to you in connection with the anticipation of this program of Federal spending, and I recommend the prompt passage of this measure.

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## SOCIAL SECURITY

MESSAGE TO THE SPECIAL SESSION OF THE GENERAL ASSEMBLY  
DECEMBER 10, 1936

*Mr. President, Mr. Speaker,  
and Members of the General Assembly:*

The cause of your summons for this special session, when the regular session is so near, is no doubt fully understood by each

of you. Yet it is both proper and necessary that I make some brief explanation by way of preface to my recommendations.

For some time the subject of unemployment compensation insurance has engaged public attention and challenged legislative consideration. Our North Carolina General Assembly of 1933, meeting in the very depths of the depression, gave consideration to it and passed a resolution directing the appointment by the governor of a commission to study and report on the problem. Pursuant to that resolution a commission was appointed, and with funds provided through a Federal project, initiated and sponsored by me, set about its task of study under the competent chairmanship and direction of Senator Burgin of Davidson County, who had introduced its authorizing resolution. This study and accompanying bill and data was placed by me at the disposal of the General Assembly of 1935 with my approval and a recommendation which it seems proper here to quote, as follows:

I am convinced that this General Assembly should take definite action to provide in North Carolina such insurance and that its action should be in line with the federal proposals and congressional enactments on this subject. We have not as yet full information as to what congressional action will be, but our State must put itself in line to provide for, as well as escape from, the penalties of such legislation.

Besides, as I have previously indicated, this is an advance in social legislation which our State should not fail to take as a matter of humanity and sensible provision against future industrial calamities.

This message was delivered on January 10, 1935. Our assembly remained in session until May, but, at the closing day, Congress had not yet acted, and so an emergency measure was drawn in the governor's office and introduced in the House at his request by the Honorable R. Gregg Cherry, your justly distinguished speaker. It passed both houses on May 11, the last day of their session, and is recorded as chapter 492 of the public laws of 1935. Immediately after the close of this session copies of this act were sent to our United States senators and congressmen in a letter requesting their assistance in protecting us against the necessity for a special session.

It was not until the following August that congressional action was completed and the social security act,—including this feature,—became a Federal law. Appropriation for its functioning, however, failed of passage at this congressional session and

was not finally enacted until the next regular session of Congress in January of this year.

Promptly thereafter, your governor sought to obtain approval of the Federal bureau for a setup in North Carolina under the Cherry act. Though this request has been vigorously, earnestly, and repeatedly urged, both by the governor and the attorney general, we have been unable to secure the Board's approval for such a setup. The Cherry act did not levy a tax. It could not do so, for at the time of its passage we did not know what tax, if any, would be required or even the exact form that final congressional action (which did not occur until months later) would assume. It provided, however, for the receipt of "contributions" for maintenance of the activity and for the promulgation of rules and regulations governing participation. In this connection, it is interesting to note that the federal act also uses this very word "contribution" which word, in derivation certainly, has a meaning quite contrary to that of the word "tribute," which is synonymous with "tax." But since the Federal act defines the word "contribution" as used therein as a payment "required" to be made, the bureau insists that this provision can be satisfied only by a state-imposed "tax." Nor does it agree with our contention that the terms of this Federal provision would be satisfied by rules which made "contribution" by an industry a prerequisite to participation of its employees. Such an interpretation, it seems to us, would be not only reasonable but also in keeping with the language and the spirit of the Federal act and would promote, rather than retard, the congressional purpose manifested in its passage and aid in accomplishing a nation-wide acceptance of what was evidently envisioned as a nation-wide enterprise. Indeed, such a construction would furnish the only possible means for the participation of those states—and there are a number of them—whose constitutions forbid the imposition of a tax of this character. Unless these states can set up machinery for an activity financed by "contributions," their citizens will be taxed by the Federal government for an enterprise in which they cannot possibly cooperate because of their own fundamental law.

All this is set down not in criticism of anyone, but simply by way of showing that your executive not only has constantly advocated such insurance but also has earnestly endeavored to avoid the burden of this special session and to set up such an activity in accord with our existing laws. In common with our able attor-

ney general, I believe these sufficient. However, the steadfastly maintained attitude of the security board and the last minute rush of so many states to enact legislation and accomplish a set-up in form approved by it before January first have created a situation of such precariousness that I felt constrained to issue the call which brings you here.

Lest our citizens be faced with the danger of losing through the bureau's ruling a substantial sum paid for an enterprise which their governor and legislature have both approved and to the end that there may be no slightest foundation for suggesting that North Carolina or her officials have failed to do all and everything necessary for participation in this worthy enterprise, I have summoned you to this extra session and do now recommend the speedy adoption of a carefully prepared measure which I am assured is federally approved. Controversial questions have been avoided in its drafting. The administrative set-up is along lines approved by my successor, in whose term, largely, it will develop its functioning. With the enactment of this measure all doubt of our right to participate will be dispelled. The only hand that presently stays our start upon the highway which we seek to travel or threatens to withhold the funds we feel are rightly ours is the hand that levied the taxes of which they are a part. The act, a copy of which is attached thereto, should remove this danger. I trust it may be quickly passed.

The nearness of your regular session and my unwillingness to trespass unduly either upon your time or the prerogatives of my successor suggest the inadvisability of my making now any further recommendations. Permit me, however, to welcome you and voice my complete confidence in your ability and disposition well and truly to perform the duties which have been placed upon you.





## PROCLAMATIONS



# BANKING HOLIDAY

EXECUTIVE DEPARTMENT

RALEIGH

MARCH 6, 1933

*A Proclamation by the Governor*

*To All to Whom These Presents Shall Come Greetings:*

Whereas, an emergency has arisen which is nation-wide and which threatens the banking institutions and the financial life of our own State, and

Whereas, practically every state in the Union has declared a banking holiday, and

Whereas, a sound public policy suggests that we protect our own State against the danger which arises from the action of our sister states, and which threatens to leave us isolated unless similar action is taken by us, and

Whereas, the commissioner of banks and the Advisory Banking Commission, and practically unanimous sentiment among the bankers of our State, representing both state and national banks, agree that such action is necessary, and

Whereas, a number of Federal Reserve Banks have suspended their normal operations,

Now, therefore, I, John C. B. Ehringhaus, governor of North Carolina, do hereby proclaim and set apart Monday, Tuesday and Wednesday, March 6, 7, and 8, 1933, as a banking holiday throughout North Carolina. All banking institutions, both state and national, doing business in this State are hereby enjoined and commanded to observe the three days as holidays with the same force and effect, in the same manner and to the same extent as legal holidays are observed in this State.

[SEAL] Done at our capital city of Raleigh this 6th day of March in the year of our Lord one thousand nine hundred and thirty-three, and in the 156th year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*



# SUPPORT THE PRESIDENT

EXECUTIVE DEPARTMENT  
RALEIGH

MARCH 8, 1933

## *A Proclamation by the Governor*

Whereas, a nation-wide crisis has arisen which sorely distresses our people and the afflictions of the depression weigh heavily upon them, and

Whereas, the President of the United States has called the Congress into extraordinary session to be convened on Thursday, March 9, 1933, for the purpose of considering the pressing problems it has presented, and

Whereas, at the conference of governors held recently in Washington, D. C., it was unanimously resolved that the governors of the several states issue a proclamation calling upon the people in their respective states to stand behind the President in this difficult time, and

Whereas, the people of North Carolina have already expressed their overwhelming confidence in the leadership of the great man who now occupies the office of President and are looking confidently towards him for that constructive direction so necessary for the rehabilitation of the Nation,

Now, therefore, I, J. C. B. Ehringhaus, governor of North Carolina, do earnestly beg the people of North Carolina to stand by the President in this difficult time, and in all gatherings to be held on Sunday, March 12th, next, to ask divine blessing upon him and guidance for him, to the end that he may be inspired and directed in his efforts to work out the salvation of the Nation; and to give as well to their representatives in Congress expression of their confidence and trust, to the end that they may be advised of the attitude of the people toward their great leader.

[SEAL] Done at our capital city of Raleigh, this 8th day of March, in the year of our Lord one thousand nine hundred and thirty-three, and in the one hundred and fifty-sixth year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

# BANKING HOLIDAY EXTENDED

EXECUTIVE DEPARTMENT

RALEIGH, N. C.

MARCH 8, 1933

*A Proclamation by the Governor*

Whereas, the banking holiday heretofore declared in this State expires on Wednesday, March 8th, and

Whereas, the President of the United States on Monday of this week declared a national holiday through Thursday, March 9th, and

Whereas, it is desirable that the state and national holidays should coincide in length;

Now, therefore, I, J. C. B. Ehringhaus, governor of North Carolina, by and with the advice of the Council of State, do hereby extend the holiday heretofore declared in North Carolina through Thursday, March 9th, 1933, upon the same terms and conditions as now exist, and hereby enjoin any and all conduct of banking business except in accordance with the regulations issued and now in force, or which may be issued during the period of this holiday.

[SEAL] Done at our capital city of Raleigh, this 8th day of March, in the year of our Lord one thousand nine hundred and thirty-three, and in the one hundred and fifty-sixth year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

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# MOTHERS' DAY

EXECUTIVE DEPARTMENT

RALEIGH

MAY 8, 1933

*A Proclamation by the Governor*

Sunday, May 14, 1933, has by authority of Congress and by the proclamation of the President of the United States been designated as Mothers' Day.

In previous years we have been pleased to observe this second Sunday in May as specially designated by proclamation of President Wilson, in 1914, as a day for the "public expression of our love and reverence for the mothers of our country."

This year, nineteen years later, we are faced with a changed situation. An unusually large number of mothers and dependent children through unemployment and other causes beyond their control are suffering and some of them dying, for lack of the simple necessities of life.

By resolution sixteen of the United States Senate, passed on May 1, 1933, and by proclamation of the President, signed May 2, 1933, we are asked this year to observe the day not only by the customary display of the flag and usual tokens and messages of affection to our mothers, but "by doing all that we can through our churches, fraternal and welfare agencies, for the relief and welfare of mothers and children who may be in need of the necessities of life."

Now, therefore, I, J. C. B. Ehringhaus, governor of North Carolina, do issue this proclamation calling upon the citizens of North Carolina to observe Sunday, May 14, 1933, as Mothers' Day when we may not only express our love and reverence for our own mothers, but also give sympathetic consideration and practical relief to the needs of that great multitude of mothers and dependent children, who, during recent months and years have, through no fault of their own, been deprived of their usual sources of livelihood. Thus may we truly honor our own mothers and pay to them the highest tribute by passing on to others less fortunate something of the ministry that they have bestowed upon us.

In witness whereof, I have hereunto set my hand and  
[SEAL] caused the seal of the state of North Carolina to be  
affixed, this eighth day of May, 1933.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

# COTTON ACREAGE REDUCTION WEEK

EXECUTIVE DEPARTMENT  
RALEIGH

JUNE 24, 1933

*A Proclamation by the Governor*

Whereas, acting under instructions of the President of the United States, the secretary of agriculture has drafted the extension division of North Carolina State College to handle the Cotton Acreage Reduction Campaign, beginning the week of June 26, and

Whereas, a campaign is in progress to reduce cotton acreage, and

Whereas, request has been made of me by the Federal authorities to indicate our coöperation with them in this movement by a proclamation of this character,

Now, therefore, I, John C. B. Ehringhaus, governor of North Carolina, do hereby proclaim and set apart the week of June 26 as Cotton Acreage Reduction Week, and call upon the people of North Carolina for their full coöperation in this movement.

Done at our capital city of Raleigh this twenty-fourth day of June, in the year of our Lord one thousand nine hundred and thirty-three, and in the one hundred and fifty-sixth year of our American Independence.

[SEAL]

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

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# APPEAL FOR COOPERATION WITH PRESIDENT TOWARD RECOVERY

EXECUTIVE DEPARTMENT  
RALEIGH

JULY 27, 1933

*A Proclamation by the Governor*

*To the people of North Carolina:*

It is my understanding that the President is mailing today to all parts of the Union the blanket code which has been adopted



in connection with his efforts toward industrial recovery in the Nation, with the suggestion that it become effective August 1st. In this connection I desire to call upon the people of North Carolina in general and industry in particular to take steps for an effective and prompt coöperation with the President in his effort toward the rehabilitation of the Nation and the recovery of an industrial prosperity.

I am sure that all employees will read carefully this appeal and exercise themselves to conform, so far as possible, in both letter and spirit, with the suggestions which it contains. With the Nation struggling in a great crisis and without regard to trivial disagreements, it is manifestly the duty of all citizens at this time to lay these aside and present a united front in the fight to bring about the recovery toward which we have set our hearts and our hopes and our best energies.

The appeal which is here made is based not merely upon what would seem to be the dictates of good business and a sound policy, but upon the larger suggestions of patriotism and humanity. The people of North Carolina have never failed to measure up to the high demands of a crisis, and I am counting upon a wholehearted coöperation at this time.

[SEAL] Done at our capital city of Raleigh this 27th day of July in the year of our Lord one thousand nine hundred and thirty-three, and in the one hundred and fifty-seventh year of our American Independence.

John C. B. Ehringhaus.

By the Governor:

Charles G. Powell,  
*Private Secretary.*

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## TOBACCO HOLIDAY

EXECUTIVE DEPARTMENT  
RALEIGH

AUGUST 31, 1933

*A Proclamation by the Governor*

Whereas, an emergency exists in the agricultural life of our people with particular reference to the tobacco crop; and

Whereas, the tobacco farmers of both North and South Caro-

lina are facing the opening of our tobacco market with prices far below the parity level which is being sought by our Federal government; and

Whereas, to market the crop upon the present basis means a loss of unbearable proportion on our tobacco farmers; and

Whereas, the Federal government is authorized to deal with the agricultural situation, particularly as provided in the Agricultural Adjustment Act passed by the recent Congress; and

Whereas, some time ago request was made by the undersigned of the secretary of agriculture of the Federal government for prompt and careful attention to the existing situation with reference to flue-cured tobacco and again this day by telegraph for immediate consideration and action; and

Whereas, no doubt the said secretary is giving thought to this situation and will, as expeditiously as possible, take some step according to law to prevent the impending catastrophe; and

Whereas, the farmers of North Carolina have this day, in meeting assembled, protested present conditions and called upon the undersigned to close the warehouses in North Carolina by declaration of martial law; and

Whereas, under the Constitution of North Carolina (Declaration of Rights) Article 1, Section 9, the governor has no power to suspend the laws or, under Article 12, Section 3, to call out the militia for this purpose; and

Whereas, appeal can only be made by proclamation for the suspension of sales for a reasonable time pending action by the Federal government; and

Whereas, coöperation between the farmers and warehousemen can provide this opportunity for presentation of the emergency to Washington for considered and rational action by the authorities of the Federal government and it is desirable to promote such action by orderly, and not disorderly, methods:

Now, therefore, I, John C. B. Ehringhaus, governor of North Carolina, do hereby declare a voluntary marketing holiday, to continue until further proclamation in order to provide reasonable opportunity for action by the Federal government, and I do hereby call upon our farmers, warehousemen, and all good citizens to coöperate in this marketing holiday and during its continuance to refrain from selling or offering tobacco for sale upon the warehouse floors of North Carolina.

[SEAL] Done at our capital city of Raleigh this 31st day of August in the year of our Lord one thousand nine hundred and thirty-three, and in the 157th year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

Charles G. Powell,  
*Private Secretary,*

## TOBACCO CONTROL

EXECUTIVE DEPARTMENT

RALEIGH

SEPTEMBER 7, 1933

### *A Proclamation by the Governor*

Whereas, the United States government has launched its effort for an intelligent and proper control of production in the flue-cured tobacco areas and has started a whirlwind campaign to secure signatures of the growers to reduce their production for 1934 and 1935, as requested by the government, not to exceed 30 per cent; and

Whereas, with all markets closed the necessity for immediate response in signing without delay is imperative in order to expedite the reopening of the markets; and

Whereas, the United States government, through the Agricultural Adjustment Administration, has pledged its full powers in an effort to obtain parity prices to the cooperating growers, not only for the crops for 1934 and 1935, but also for this year's crops; and

Whereas, the sincerity and interest of our people, as well as the necessities of our tobacco growers, demand that we answer this challenge; and

Whereas, the growers in various meetings throughout the State have enthusiastically endorsed this effort and the extension service, the vocational group, and the warehousemen have all pledged themselves to assist in securing signatures; and

Whereas, tentative contracts will be ready for signature at the time hereinafter mentioned; and

Whereas, the citizenship generally in tobacco-growing coun-

ties is vitally concerned in the speedy and complete acceptance of this program;

Now, therefore, I, John C. B. Ehringhaus, governor of North Carolina, hereby call upon all tobacco growers, all warehousemen, all organizations, groups, services, merchants, and citizens generally interested to make use of the tobacco holiday already proclaimed, particularly on Monday and Tuesday, September 11th and 12th, in assisting in the speediest sign-up possible by the growers, to the tentative contracts submitted by the government, and particularly do I urge that the growers do not wait to be called upon to sign such contracts, but that they seek out the warehouse committeemen, extension, vocational and other agents who have these contracts ready for signature, and sign them at the earliest possible moment, so that by the close of Tuesday, September 12th, at the latest, we may have the necessary number of signatures and be able to report complete coöperation to the Federal authorities in Washington. I invite the fullest coöperation in this effort by all merchants, citizens and friends generally.

[SEAL] Done at our capital city of Raleigh this seventh day of September in the year of our Lord one thousand nine hundred and thirty-three, and in the 157th year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

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## THANKSGIVING DAY

EXECUTIVE DEPARTMENT

RALEIGH

NOVEMBER 25, 1933

*A Proclamation by the Governor*

The President of the United States has set apart Thursday, November 30th, as a day of thanksgiving. The custom which dictates this annual event is not alone sufficient to decree its observance. It must find its justification not in custom but in the hearts of the people which have been really touched by a



sense of gratitude to heaven for blessings and protection during the year that has passed. And surely in the recollection of so much distress and in the contemplation of so much which has threatened the lives and well-being of our people, when we look about at the constantly increasing signs of the dawn of a better day, we can approach this annual event with a deeper sense of gratitude and thankfulness to the Providence that has protected us and gives us present promise and renewed hope.

Therefore, not in mere casual observance of a holiday but in real sincerity, truth, faith, trust, confidence, and gratitude, I, John C. B. Ehringhaus, governor of North Carolina, call upon our people to observe, as a day of thanksgiving and grateful prayer, the day set apart by our President, and ask that they gather at their respective places of worship and acknowledge their debt to an over-ruling Providence for all the blessings of the past, for the assurance and security of the present, and for the confident and Heaven-sent hope for the future, which is our common possession at this time.

[SEAL] Done at our capital city of Raleigh, this 25th day of November, in the year of our Lord one thousand nine hundred and thirty-three and in the one hundred fifty-seventh year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,  
*Private Secretary.*

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## TOBACCO MARKETING HOLIDAY

EXECUTIVE DEPARTMENT

RALEIGH

DECEMBER 19, 1933

*A Proclamation by the Governor*

Whereas, a crisis has arisen in the marketing of burley tobacco; and

Whereas, marketing holidays have been proclaimed by the governors of Kentucky and Tennessee in their states; and

Whereas, urgent request has been made by our growers in Western Carolina for coöperation in this movement to secure equitable prices; and

Whereas, notice has been given of a hearing on the marketing agreement with reference to burley tobacco, to be held in Washington on December 21; and

Whereas, it seems desirable that our growers and warehousemen should coöperate, pending consideration by government authorities of the present situation and the formulation of plans for its improvement;

Now, therefore, I, John C. B. Ehringhaus, governor of North Carolina, do call upon the growers and warehousemen in North Carolina to coöperate in a voluntary marketing holiday with reference to burley tobacco, to begin Wednesday, December 20, and to continue until further proclamation, and do hereby call upon all growers and warehousemen to coöperate in this endeavor to secure a satisfactory solution of the marketing situation now presented.

[SEAL] Done at our capital city of Raleigh this nineteenth day of December in the year of our Lord one thousand nine hundred and thirty-three, and in the 157th year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:  
Charles G. Powell,  
*Private Secretary.*

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## ARBOR DAY

EXECUTIVE DEPARTMENT  
RALEIGH

MARCH 10, 1934

### *A Proclamation by the Governor*

Whereas, never in the history of our Nation has the public thought been directed more forcefully to the need of protecting our great natural resources than is the case today, and

Whereas, conservation of these great gifts of nature, which has formerly been viewed by many as a passing whim of a few sentimentalists, is now beginning to be accepted as a practical necessity. The general public is rapidly assuming a keener sense of responsibility toward its stewardship of those resources entrusted to its care, and

Whereas, President Roosevelt has placed himself in the van of conservationists by giving such a program a major place in his broad plan to restore sound economic conditions. For the general public to fail to respond by extending full coöperation is to lose step with the times, and

Whereas, the President plans for the establishment of a better and more enduring civilization by teaching and actually putting into practice the principle of intelligent use, protection and perpetuation of our natural resurces—the forests, soils, water, and wild life of the country, and

Whereas, Arbor Day, by virtue of an act of the General Assembly of North Carolina, falls this year on Friday, March 16th. This event affords the opportunity for the rededication of thoughts and efforts to the preservation of our forests, probably the most basic and necessary of our renewable natural resources, and

Whereas, in the observance of Arbor Day we may find expression for our affection for the unit of the forest—the tree. Whether it be a lowly bush or a giant of the forest, the tree is a thing of life and merits consideration as such.

Now, therefore, as governor of the state of North Carolina, I call upon every school, community, and organization to participate in the observance of Arbor Day with appropriate exercises and ceremonies. Especially do I recommend and urge that every school take advantage of this occasion by planning and carrying out appropriate programs for commemoration of the occasion. The planting of a tree exemplifies the spirit of the day and establishes a lasting memorial, implanting in the minds of those participating the conservation idea that lives and grows as does the tree.

[SEAL] Done at our capital city of Raleigh, this 10th day of March, in the year of our Lord one thousand nine hundred and thirty-four and in the 157th year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

Charles G. Powell,  
*Private Secretary.*

## MOTHERS' DAY

EXECUTIVE DEPARTMENT

RALEIGH

MAY 9, 1934

*A Proclamation by the Governor*

Sunday, May 13th, has been designated for observance as Mothers' Day throughout the Nation. It is quite unnecessary to make an appeal to the people of North Carolina for observance of this day. The designation has its justification in a sentiment so noble and appealing as to be everywhere accepted. By making an official proclamation setting aside this day I do but give official sanction to what is established practice.

Let every North Carolinian, therefore, on this day honor himself by giving recognition to the great sentiment of which the day takes note. Officials of the State are requested to display the flags of our country and our State on all state and school buildings and the people to display it at their homes, lodges, churches, business houses, and other suitable places as a public expression of love and reverence for the mothers of our State and other women serving it and as an inspiration for better homes and closer ties between the home and the commonwealth. North Carolina is proud to join in this tribute to Motherhood.

[SEAL] Done at our capital city of Raleigh, this ninth day of May, in the year of our Lord one thousand nine hundred and thirty-four, and in the 157th year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

Charles G. Powell,

*Private Secretary.*



## BETTER HOUSING CAMPAIGN

EXECUTIVE DEPARTMENT

RALEIGH

SEPTEMBER 17, 1934

*A Proclamation by the Governor*

Whereas, the Congress has provided through the Federal Housing Administration a plan and a program under which the Government is seeking to aid property owners and at the same time provide employment through the insurance of credit in the interest of those who need funds for repairing, remodeling, altering, or modernizing real property; and

Whereas, the result sought to be accomplished will prove beneficial to all our citizens and all classes of business; will provide employment for the laborer; will give new life to the building trades; and, in general, will revive business and at the same time preserve, protect, and improve the present investment in homes and other real property; and

Whereas, an extensive campaign is now in process of organization in the various communities of our State, these campaigns seeking to disseminate information relative to the advantages to be derived from participation in this program; and

Whereas, the Building and Loan Associations, and the Commercial Banks, have already indicated their approval of the program and their active participation therein;

Now, therefore, I, J. C. B. Ehringhaus, governor of the state of North Carolina, do hereby call upon the citizenship of our State, and all classes of business to give to this program and this campaign their active and vigorous coöperation and support to the end that the greatest benefits may be derived therefrom by all of our citizens.

It is earnestly hoped that the program may be so perfected in North Carolina that within a short while the laborer may be gainfully employed and the house-renter transformed into a home-owner. A citizenship of home-owners gainfully employed means a greater, happier, and more contented North Carolina.

[SEAL] Signed in the executive office in the city of Raleigh,  
this the 17th day of September, A. D., 1934.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*



Mrs. J. C. B. Ehringhaus—from a portrait by H. R. Rittenberg.



# FIRE PREVENTION WEEK

EXECUTIVE DEPARTMENT  
RALEIGH

SEPTEMBER 25, 1934

## *A Proclamation by the Governor*

Whereas the destruction of life and property by fire is a matter of concern to everyone, and

Whereas the reduction of fire waste can be effected in direct proportion to the amount of care exercised by all people, and

Whereas the President of the United States for the benefit of the American people as a whole and with the view of arousing the people of the United States to the importance of eliminating our enormous fire waste, has proclaimed the week of October 7 to 13 as Fire Prevention Week;

Therefore, I, J. C. B. Ehringhaus, governor of the state of North Carolina, do hereby proclaim the week of October 7 to 13 to be Fire Prevention Week in order that the people of this State in every community shall individually and through our various organizations, discover and correct existing fire hazards, promote measures of public and private fire protection, extend instruction in fire prevention among adults, as well as school children, and arouse the people generally to the need for habits of greater care, and to this end I appeal to our citizens thoroughly to coöperate with the various fire departments throughout the State and I request that every mayor issue a proclamation. I earnestly solicit the coöperation of Chambers of Commerce, Civic and Women's Clubs, and the press.

Done at our capital city of Raleigh, this 25th day of  
[SEAL] September, in the year of our Lord, one thousand  
nine hundred and thirty-four.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*



## AMERICAN EDUCATION WEEK

EXECUTIVE DEPARTMENT  
RALEIGH

OCTOBER 17, 1934

*A Proclamation by the Governor*

Understanding that under the sponsorship of the United States Office of Education, the American Legion, and the National Education Association, a week, known as American Education Week, is to be set aside each year to stress the importance of our public school work and the universal consideration of public school problems, and desiring that the citizens of North Carolina generally may be fully informed of the problems of the public school and the great tasks of training our youth for the duties of citizenship;

And recognizing the desirability of coöperating with other states in this undertaking and providing an opportunity for a full, fair and free discussion of the situation and the problems involved;

Now, therefore, I, John C. B. Ehringhaus, governor of North Carolina, do hereby proclaim and designate from November 5th to 11th as American Education Week and, since the same is to be generally observed in other states, do hereby respectfully request that all citizens of the commonwealth of North Carolina observe it accordingly, to the end that we may make proper appraisal of our situation and prepare ourselves for the adequate discharge of the responsibilities involved.

[SEAL] Done at our capital city of Raleigh this 17th day of October in the year of our Lord one thousand nine hundred and thirty-four, and in the 158th year of our American Independence.

John C. B. Ehringhaus.

By the Governor:

Charles G. Powell,  
*Private Secretary.*

# MOTHERS' DAY

EXECUTIVE DEPARTMENT

RALEIGH

MAY 9, 1935

*A Proclamation by the Governor*

Sunday, May 12th, has been designated for observance as Mothers' Day throughout America. In this designation the people of our State will concur and I am sure will make hearty response to requests for its proper observance. I call upon our citizenship to give universal recognition to the sentiment upon which the day's designation is based and honor themselves in honoring the mothers, whose suffering and sacrifice has brought us to the glory of the present day.

The citizens of the State are requested to display the flags of our country and our State on all state and school buildings, at their homes, lodges, churches, business houses, and other suitable places as a public expression of love and reverence for the mothers of our State and other women serving it, and as an inspiration for better homes and closer ties between the home and the Commonwealth. North Carolina is proud to join in this tribute to motherhood.

[SEAL] Done at our capital city of Raleigh, this the ninth day of May, in the year of our Lord one thousand nine hundred and thirty-five, in the one hundred fifty-eighth year of American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

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# BETTER HOUSING DAY

EXECUTIVE DEPARTMENT

RALEIGH

JUNE 11, 1935

*A Proclamation by the Governor*

I, J. C. B. Ehringhaus, governor of North Carolina, deeply conscious of the need for better housing in North Carolina and

of the large part which housing construction would play in providing employment for our people, do hereby proclaim Saturday, June 15, 1935, as Better Housing Day in North Carolina.

This day is set aside in North Carolina in conformity with National Better Housing Day which has been proclaimed by the President for the Nation. I urge citizens throughout the state of North Carolina to join with the citizens of other states in marking this day with appropriate observance in order that from it may come the impetus essential to a beginning of a widespread program concerned with the provision of better homes for the American people.

[SEAL] Done at our capital city of Raleigh, this the eleventh day of June, in the year of our Lord one thousand nine hundred and thirty-five, and in the one hundred fifty-eighth year of American Independence.

J. C. B Ehringhaus.

By the Governor:

C. G. Powell,  
*Private Secretary.*

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## PARENT-TEACHER ASSOCIATION MEMBERSHIP CAMPAIGN

EXECUTIVE DEPARTMENT  
RALEIGH

SEPTEMBER 12, 1935

*A Proclamation by the Governor*

*To the People of North Carolina:*

Having been informed that October fifteen to November fifteen has been set aside as the period in which an effort will be made to extend the membership of the Parent-Teacher Association in North Carolina, I am glad to bring this to the attention of our people, along with the suggestion that they give the most careful and sympathetic attention to this activity. The association busies itself primarily with the promotion of educational opportunity for our children, and membership in the association is committed to the ideal of educational improvement. I am sure that our people will give to it the support which it deserves.

[SEAL] Done at our capital city of Raleigh, this the twelfth day of September, in the year of our Lord one thousand nine hundred and thirty-five, in the one hundred fifty-ninth year of American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

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## FIRE PREVENTION WEEK

EXECUTIVE DEPARTMENT

RALEIGH

SEPTEMBER 21, 1935

*A Proclamation by the Governor*

Whereas the destruction of life and property by fire is a matter of concern to everyone, and

Whereas the reduction of fire waste can be affected in direct proportion to the amount of care exercised by all people, and

Whereas the President of the United States, for the benefit of the American people as a whole and with the view of arousing the people of the United States to the importance of eliminating our enormous fire waste, has proclaimed the week of October 7-11 Fire Prevention Week

Therefore, I, J. C. B. Ehringhaus, governor of the state of North Carolina, do hereby proclaim the week of October 7-11 to be Fire Prevention Week in order that the people of this State in every community shall individually and through our various organizations, discover and correct existing fire hazards, promote measures of public and private fire protection, extend instruction in fire prevention among adults, as well as school children, and arouse the people generally to the need for habits of greater care, and to this end I appeal to our citizens to coöperate thoroughly with the various fire departments throughout the State and I request that every mayor issue a proclamation. I earnestly solicit the coöperation of Chambers of Commerce, Civic and Women's Clubs, and the press.



Done at our capital city of Raleigh, this twenty-first  
 [SEAL] day of September in the year of our Lord, one thousand nine hundred and thirty-five.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

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## ONE HUNDREDTH ANNIVERSARY OF COMMON SCHOOLS

EXECUTIVE DEPARTMENT  
RALEIGH

OCTOBER 19, 1935

*A Proclamation by the Governor*

Pursuant to resolution 65 adopted by the General Assembly of 1935 and in a very sincere desire to make of this a real commemorative and dedicatory occasion, I, J. C. B. Ehringhaus, governor of North Carolina, do hereby proclaim and designate the school year one thousand nine hundred thirty-six and one thousand nine hundred and thirty-seven as Centennial Year in honor of the one hundredth anniversary of the passing of a resolution by our General Assembly calling for a plan of common schools, and do hereby call upon all citizens directing educational activities in our State and upon the people generally to make due observance of this most important centennial, to celebrate its significance from time to time in appropriate and commensurate fashion, and to dedicate themselves and their efforts during the year in steadfast and intelligent activity toward the promotion of a sounder and more intelligent educational enterprise and the enlargement of educational opportunity for our children in North Carolina.

The steering committee for a proper celebration has been chosen and set up under the able chairmanship of Superintendent B. L. Smith of Shelby, North Carolina, whose interest and energy has largely promoted this worthy enterprise, and the co-operation of every institution, activity and individual is challenged and requested.

[SEAL] Done at our capital city of Raleigh, this the nineteenth day of October, in the year of our Lord one thousand nine hundred and thirty-five and in the one hundred fifty-ninth year of American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell, *Private Secretary*.

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## AMERICAN EDUCATION WEEK

EXECUTIVE DEPARTMENT  
RALEIGH

NOVEMBER 8, 1935

### *A Proclamation by the Governor*

The education of our children is the most important service performed by the government. It is the debt that one generation owes to the next. It cannot be discounted or postponed through curtailment of proper facilities; for the mental, physical, and social equipment of the citizens of tomorrow depends upon the manner in which we discharge our obligation today.

Therefore, it is eminently fitting that patriotic, educational, religious, civic, and fraternal organizations should join hands in the coming observance of American Education Week, November eleventh through the seventeenth, in accordance with the coöperative suggestions of the United States Office of Education, The National Education Association, The American Legion, and the National Congress of Parents and Teachers.

Now, therefore, I, J. C. B. Ehringhaus, governor of North Carolina, do hereby call upon the citizens of the State to participate in the general observance of American Education Week to the end that we may make proper appraisal of our schools and prepare ourselves for the adequate discharge of the responsibilities involved.

[SEAL] Done at our capital city of Raleigh this the eighth day of November, in the year of our Lord one thousand nine hundred and thirty-five and in the one hundred and fifty-ninth year of American Independence.

J. C. B. Ehringhaus.

By the Governor:

Charles G. Powell, *Private Secretary*.

## THANKSGIVING DAY

EXECUTIVE DEPARTMENT  
RALEIGH

NOVEMBER 26, 1935

*A Proclamation by the Governor*

Again the season of thanksgiving has arrived and again we feel justified in believing that it is our duty to render thanks to the Providence that has so bountifully blessed us. We have traveled through difficult days; we have faced trials and tribulations that have tested our characters. But a merciful heaven has smiled upon us through it all and no state and no people can face the future with more confidence or a greater degree of real confidence than North Carolina and its citizenship. Our gratitude should equal the graciousness of our gifts and right gladly should we turn toward the Author of all goodness in thankfulness and reverent recognition.

In keeping with the long established custom and in harmony with the proclamation of the President, I, J. C. B. Ehringhaus, governor of North Carolina, call upon our people to observe as a day of thanksgiving and grateful prayer the day set apart by our President, and that they gather at their respective places of worship and acknowledge their debt to an ever-ruling Providence for all the blessings of the past, for the assurance and security of the present, and for the confident and Heaven-sent hope for the future, which is our common possession at this time.

[SEAL] Done at our capital city of Raleigh, this twenty-sixth day of November in the year of our Lord one thousand nine hundred and thirty-five and in the one hundred and fifty-ninth year of our American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell,

*Private Secretary.*

## FIRE PREVENTION WEEK

EXECUTIVE DEPARTMENT

RALEIGH

SEPTEMBER 24, 1936

*A Proclamation by the Governor*

Understanding that the week of October Fourth to Tenth has been designated as National Fire Prevention Week, in approval of its constructive purpose and in keeping with the established practice in North Carolina, I am hereby officially proclaiming this week as Fire Prevention Week in North Carolina.

Constructive efforts to prevent unnecessary losses by fire mean much more than the money which they save to the citizens or even the lives which they save and the injuries they prevent. They represent the efforts of a people in a great constructive activity. At this time also more particularly the North Carolina Firemen's Association and association organizations, coöperating with the North Carolina Insurance Department, have noted the passing of many old type, dangerous school buildings, but mark that there still remain buildings which do not measure up to the standard requirements. In these particularly, but even in our most modern buildings fire drill exercises are imperative, as a means of training our children and their custodians in self preservation.

So realizing, we are urging that every fire chief in North Carolina personally conduct fire drills in every school building in his city or town during this Fire Prevention Week, in order that this most important part of school work, designed for the protection of both children and teachers, be properly organized for the monthly drills as required by law. Further still we urge that every school building in these cities and towns and every building in the several fire districts be carefully inspected during this week and all dangerous conditions found therein be promptly remedied or removed.

[SEAL] Done at our city of Raleigh, this twenty-fourth day of September in the year of our Lord, one thousand nine hundred and thirty-six and in the one hundred and sixtieth year of American Independence.

J. C. B. Ehringhaus.

By the Governor:

C. G. Powell, *Private Secretary*.



## THANKSGIVING DAY

EXECUTIVE DEPARTMENT  
RALEIGH

NOVEMBER 21, 1936

### *A Proclamation by the Governor*

Not simply in obedience to a long observed custom but in sincere gratitude to God for all the blessings that have been vouchsafed to our State and Nation in the past twelve months, it is proper that, following the President's designation, we fittingly observe this year's Thanksgiving Day. In reverence and in appreciation for all good that has come to us and all worth-while lessons that the past has taught us, let us lift up our hearts and give thanks.

Now, therefore, I, J. C. B. Ehringhaus, governor of North Carolina, call upon our people to observe as a day of thanksgiving and grateful prayer Thursday, November 26th, 1936.

Done at our capital city of Raleigh this the twenty-first day of November, in the year of our Lord one  
[SEAL] thousand nine hundred and thirty-six, and in the one hundred sixtieth year of American Independence.

J. C. B. Ehringhaus.

By the Governor:

J. C. B. Ehringhaus, Jr.,

*Private Secretary.*

## **ADDRESSES**



# BANKING SITUATION CHALLENGES OUR COURAGE

ADDRESS DELIVERED OVER RADIO STATION WPTF

RALEIGH

MARCH 7, 1933

It is my desire to speak just a word of reassurance and hope in the present distressing situation. The events of the past four days have put us face to face with a national crisis which can be met only by the exercise of the highest civic virtues. Until Thursday of last week we were strangers to the plague of state-wide bank closings or the reasonable apprehension of such a possibility. The rapidly developing situation reached such a point Thursday evening that it seemed necessary to prepare for an emergency by new legislation and to give some assurance against a general holiday in order to prevent the continuance of drafts on our institutions made, not in fear of their insolvency, but in apprehension of a general holiday. This was given and the legislation authorizing permissive limited withdrawals was promptly enacted.

But on Saturday the sudden spread of the plague reached alarming proportions and Saturday evening found us practically isolated—one of only a very few states without such holidays. Before the close of Sunday all save North Carolina had followed suit, and finding ourselves alone it became necessary for us to act in order to prevent our State from being bled dry as would have resulted if our own banks alone in the Nation remained open. The holiday proclaimed in this State was effective at the same time as the national holiday proclaimed at Washington.

We should take pride in the fact that our State was the last state to declare the holiday and did so only after the great financial centers of New York and Chicago had yielded to the inevitable. I find in this fact that we were last the surest proof that our own banking structure is essentially sound.

The Congress has been called to deal with the problem—national in its scope—on Thursday of this week. My contacts and conversations while in Washington make me confident that it will be promptly taken up and a plan approximating normal functioning as nearly as the present conditions permit promptly put into execution. Certainly the means of such banking opera-



tions as the necessities of our daily living and business activities demand will be provided and we can look for this relief within the week.

Meanwhile, I wish only to reassure the people of our State. There is neither need nor occasion for hysteria. Our banking structure is, in my opinion, essentially sound and conditions in North Carolina better than in most of the states. The situation challenges our patience, our courage, our forbearance, and our patriotism. I am confident that our reserves of these high qualities—qualities which have always distinguished our citizenship—are sufficient to meet the demands of the present hour. North Carolina will remain, in the words of Thomas Jefferson, “fixed and forward.”

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## THE HEART AND SOUL OF NORTH CAROLINA ARE SOUND

ADDRESS DELIVERED IN PRESENTING CERTIFICATES TO THE  
GRADUATES OF NIGHT SCHOOLS CONDUCTED BY THE NORTH  
CAROLINA FEDERATION OF WOMEN'S CLUBS AT THE  
FEDERATION CONVENTION

RALEIGH

MAY 5, 1933

May I be pardoned if I say just a word to this group or class, which is probably more unexpected because I myself had not expected to say anything. I cannot fail to get, as I know you who are listening get, a high degree of inspiration from this occasion. I do not know of anything in human character that so unerringly points the way to higher and better things, and that is of more assistance to the achievement of the worth-while things in life, toward which all of us dream and all of us point our efforts, than the right sort of aspiration. I use the word “aspiration” rather than “ambition” because it seems to me it is a more properly chosen word. Ambition may be used quite properly in designating those things of hope which spring out of material desires, but aspiration, as its origin indicates, is a thing of the soul and spirit, of the highest of which man is capable—a utilization of something in man that comes from above and is not of his own creation. And here today we have evidence of really worth-while aspiration—evidence of the fact that those who have, through

no fault of their own perhaps (as your presiding officer said a few minutes ago) been deprived of the opportunity to enjoy that high pleasure and privilege in life which the fundamentals of an education give; yet they have shown their worth-while aspirations and so have shown their kinship to the eternal—their own attunement to the best that is in civilization today—by giving of their efforts and their energies in full play to a real and sincere desire toward effective work in bringing themselves a chance which their hearts have craved and which they have not heretofore possessed.

I have made a great many speeches in my life, and have spoken often at school and commencement occasions from one end of the State to the other; I have made political speeches on many other occasions, and I have spoken to many on commencement day who were looking forward to a better day, but I can say in all sincerity that I have never spoken to a group of students, and I have never spoken on an occasion, that gave more inspiration or satisfaction than does this one.

It is a great work that your organization is doing, the sponsoring of such work as this. These are difficult times that require great courage and sacrifice, and times when we must content ourselves with lesser things than those which our hearts desire. But when we see groups like this and see their efforts crowned with achievement like this, all of us can feel better because all of us may feel conscious that whatever its difficulties may be, the heart and soul of North Carolina is sound, and under God it will progress!

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## COOPERATION BETWEEN THE GOVERNMENT AND THE CITIZENS

ADDRESS<sup>1</sup> DELIVERED BEFORE THE STATE BANKERS CONVENTION

WRIGHTSVILLE

AUGUST 24, 1933

The difficult days through which we have been passing have taught us many things, and among others a great appreciation of the truth that there is or should be no conflict, but on the contrary an appreciation of the fact that the government is de-

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<sup>1</sup>This is not the entire address. Governor Ehringhaus did not write the full address, but only the part presented here.

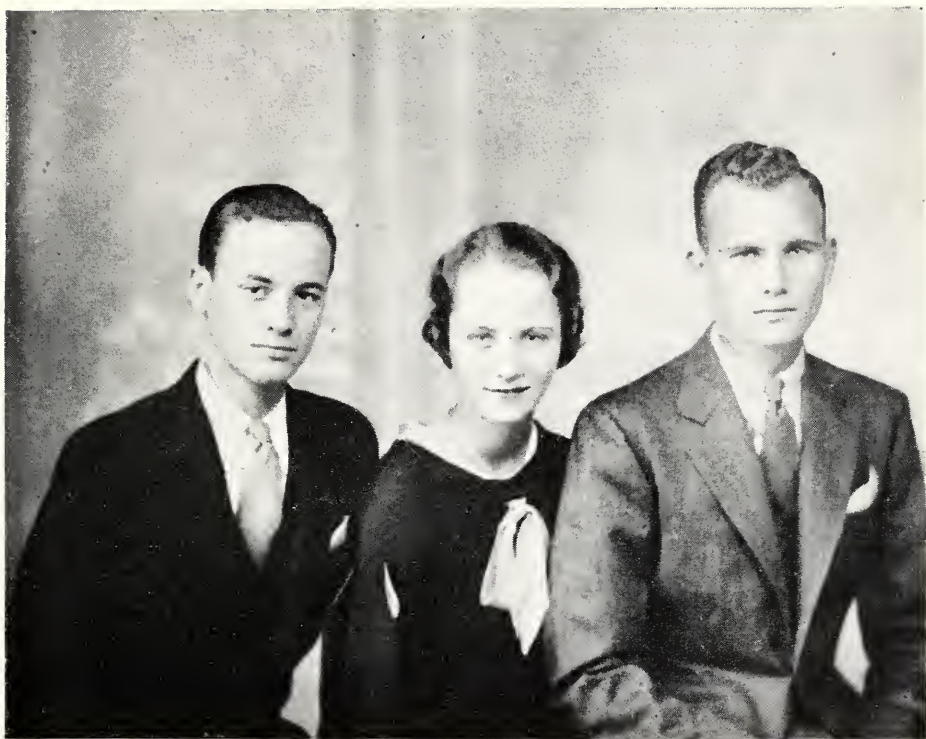
signed and is exercising its efforts to serve and not to oppress.

In the national field there has been a particularly noteworthy effort to develop in this connection a real and militant coöperation between the citizen and the government in efforts toward rehabilitation, and this has been manifested not only in the field of taxation but in general economic affairs. The trumpets are sounding their challenging blast and the general public is not only asked but expected to take heed and act accordingly. In the field of taxation the banker is asked to assist the government by collecting a tax upon each check drawn and remit to the national treasury; corporations are to do the same with reference to dividends; filling stations are to collect and remit the gasoline tax imposed by the national government; and the manufacturers to collect and remit the new processing tax designed to increase commodity prices, and paid, of course, eventually by the consuming public.

Each of these so challenged is expected to do this work uncomplainingly, and happily we are seeing in the main a realization of this very hope. And now there is getting under way a great drive under the eagle of the NRA for increased wages, shorter hours, and additional employees. As a result already there has been built up a new hope, a new confidence and a new determination.

Let no one think that the state governments have escaped their kindred woes and necessities as a result of the depression which has burdened the national administration and brought forth the constructive efforts briefly reviewed. If the Federal government has found an imposition of new taxation necessary, is it surprising that the State has been confronted with the same necessity? If the Federal government has had to call on the banks, the corporations, the filling stations, and the manufacturers to assist it in collecting, is it any wonder or a proper subject of condemnation that the State is faced with the same necessity? If the Federal government has felt compelled to ask the merchants to increase their expenses by additional employees, shorter hours, and higher wages, is it cause for complaint and condemnation that the State has likewise asked their coöperation in collecting sales taxes. And while the State has not yet designed and put forth its own blue eagle of coöperation, is it any less patriotic to help one's state in efforts toward rehabilitation than to help the Nation and the Federal government?

However, after all, the state government comes closer to the



The children of Governor and Mrs. Ehringhaus. *Left to right:* Haughton, Matilda (now Mrs. James T. Cordon), and John Christoph Blucher Ehringhaus, Jr.





citizen than the one in far-off Washington. It ministers to his more immediate needs and concerns itself intimately with his health, education, welfare, and the protection of his life and property. These and other matters are of vital concern and constitute the basis of the State's main expenditures. The individuals, industries, and activities of the state of North Carolina contribute more than \$150,000,000 annually to the Federal government — many times more than the government sends back to the State. In fact, the state of North Carolina is the second largest contributor to the Federal government. The state government, for its broader and more intimate service to the people, collects only a fractional part of this toll. And make no mistake about the fact that the state government is doing its part of lightening the load of the individual citizen as well as the business life of the commonwealth. Cost of state government has been decreased to a greater extent than any governmental unit on the continent, so far as my researches have gone; and I have repeatedly challenged comparison of our reduction, *viz.*: 33 $\frac{1}{3}$  per cent in the cost of governmental operation in the preceding four years, and 32.13 per cent on top of that since January 1st last. The process of revaluation and the complete assumption of the burden of maintenance of roads and the eight months school term have reduced property taxes to an extent never before attempted, an average of 30 per cent throughout the State. Watch your tax receipts this fall and see the benefits of this reduction and appraise, if you can, its effect upon the effort which is now being made to transfer real estate from a liability again into an asset. The much discussed and "cussed" sales tax is being paid by the people uncomplainingly as a rule and accepted as an emergency measure necessary to maintain the State's credit and preserve its essential and fundamental activities. In all the trials and tribulations of terribly diminished revenues and curtailed appropriations, the essential governmental activities have been functioning and will continue to function in honesty and efficiency.

Present here today is a representative group of citizens interested in the State and its government who, I know, are anxious as patriots and good citizens to do all possible in assisting in the solution of its problems. Am I wrong in assuming that you are asking yourselves the question as to how this challenge comes home to you and how each of you can coöperate with your state government? May I suggest just two matters:

First of all it seems to me that we might well busy ourselves—those of us who are familiar with the workings of government—in an effort to encourage a better attitude and a larger sympathy toward the state government. It isn't a governmental ogre, seeking to despoil its subjects; it isn't a greedy Moloch with an insatiable appetite for spending and wasting the people and their substance. Its affairs are intrusted by popular votes to men of patriotism and some ability. Its officers are not a group of fattening political parasites, but are giving of their brains, their hearts, and best energies in a manifest effort to solve the problems which press upon them. Are they not entitled at least to the presumption that their acts are controlled by an integrity of motive and are not the result of sinister schemes and suggestions? And isn't it a mark of good citizenship to back them in their efforts just as heartily, just as sympathetically, and just as patriotically as the average citizen is backing the government in Washington, even though no visible evidences of coöperation in the form of blue eagles are being distributed?

Secondly, I present for your consideration a practical opportunity for coöperation. Reliable information given me indicates that approximately \$33,000,000 of North Carolina money is now on deposit in the vaults of the New York banks in the form of general deposits and drawing, therefore, no interest by virtue of the provisions of the Glass-Steagall bill. Today the state of North Carolina is borrowing in short-time notes in New York less than \$5,000,000, or to be exact, \$4,682,160. In times past it was desirable for small banks to build up large cash reserves in New York depositories as a means of insuring credit when credit was desired. But I find no one who suggests that any such reserves as are now carried in New York are imperatively necessary, particularly when we recall the functions and resources of the Federal Reserve banks and the other opportunities afforded for credit to non-member banks. The utilization of only a small part of these present cash reserves in New York would take the state of North Carolina out of the borrowing market in New York; would offer an opportunity for 4 per cent interest to the banks and individuals absorbing this borrowing, which money is now paying nothing; would appreciate the value of the long time state bonds which are the background of the financial stability of many of our institutions, and would save to the state of North Carolina a substantial sum in the interest rate which it is paying on present borrowings. The banks of North Carolina

have absorbed already a large part of our current short-term loans of a little over \$12,000,000, and I am looking forward to the early accomplishment of our efforts to induce the withdrawal from New York of sufficient of these unprofitable deposits to take up the balance of this borrowing and keep our interest money at home. When North Carolina borrows from its own citizens and institutions we will be rid of New York and in a position to negotiate our loans at a rate which will compare with those charged other borrowers. Also, you bankers can perform a splendid service to your State by encouraging your customers to invest in North Carolina state bonds and by helping us to become gradually our own financiers. The total interest drain on North Carolina under present conditions—that is, the total interest on bonds and short time notes going out of the State—amounts to a considerable sum. Our banks, individuals, and institutions own already, it is estimated, approximately 33 $\frac{1}{3}$  per cent of our total indebtedness. Think what it would mean to North Carolina if all of this interest money could be kept at home.

I submit the challenge and confidently await your response thereto.

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## THE INCREASED RESPONSIBILITIES OF THE SCHOOLS

ADDRESS DELIVERED OVER RADIO STATION WPTF

RALEIGH

OCTOBER 6, 1933

*My Friends:*

I would be unfaithful to the emotions which are a vital part of my being if I did not, at the very beginning of this address, state quite simply and frankly that the cause of public education is a cause ever dear to my heart. With pardonable pride, I hope, I may say that my first vote was cast for the cause of education when I was still a student at the University of North Carolina. In 1905, I introduced in the General Assembly of North Carolina the first bill providing for the establishment of a teachers' training college in Eastern North Carolina. In 1907, I helped to write and was instrumental in securing the passage of the act which established the Eastern Carolina Teachers' College at Greenville. And at the same session, in coöperation with Dr. J. Y.

Joyner, I assisted in securing the passage of the act which established our state rural high school system. This rural high school law is particularly significant in the educational history of the State because it marks the first recognition by the State of its duty to support high school education. In 1907, I also secured passage of an act providing for the establishment of the graded school of my home town. I have served many years as a school committeeman in my home town, Elizabeth City. You see to what extent my interest in public education has dominated my record of public service. I am deeply thankful, therefore, for this opportunity to take part in the thirteenth annual observance of American Education Week and trust that what I shall have to say may in some way aid the children of North Carolina in achieving "an equal opportunity to burgeon out all that there is within them."

In the first place, I can heartily endorse the seven cardinal objectives of education. I believe that every child has a right to achieve sound health. I would have every child well schooled in the fundamental processes and trained for worthy home membership. I believe in vocational education and in civic education. And, I look forward to the day when the citizens of our land—largely because of their public school training—will know how to make worthy use of their leisure and when ethical character will be a general characteristic of our people.

In the second place, I would call your attention to the fact that in recent years prevailing economic conditions have necessitated drastic reductions in the amount of monies available for public education. Such reductions are not limited to any locality. They are characteristic of every section of our Nation. They, furthermore, have served to modify the very scope and nature of the public school program.

In order to describe some of the curtailments which have confronted the public school program of the entire Nation the following facts may be cited. In 1925-26 the cost of the public schools per child enrolled was \$81.90 for the United States as a whole. In 1932-33 this cost had been cut to \$73.92. In 1925-26 the amount expended for new school buildings was more than \$400,000,000; in 1932-33 less than \$155,000,000 went into new buildings. Last year 250,000 children attended school part-time, because there were not enough school rooms and approximately 150,000 children were housed in temporary or portable shacks. Teachers' salaries in 1932-33 were reduced in from 80 to 90 per



cent of all city school systems and in practically all of the rural schools. Approximately 100 city school systems reduced their terms by twenty days or more in 1933 and it is estimated that 4,500 rural schools reduced their terms by thirty or more days. In the face of these reductions the United States is confronted with the fact that each year the school population is increasing, whereas the size of the teaching personnel is being reduced. Each year there are approximately 200,000 more children in the public schools of the United States than during the previous year—an increase of about 1 per cent per year. Since 1930, high school enrollment has increased 15 per cent. In 1931-32 there were 897,018 public school teachers in the United States. This number, however, was reduced to 892,918 in 1932-33.

The facts just quoted demonstrate that each year fewer teachers are being required to teach more children at lower salaries.

In the third place, I would like to call your attention to what has happened to our public school program in North Carolina during recent years. Figures on file in the office of the state superintendent of public instruction show that 1,220 fewer teachers taught 83,303 more children fourteen and one-half more days during the school year, 1931-32, as compared with 1928-29, for \$9,000,000 less money, and nearly twelve per cent of the savings came from economies in operation. These facts, however, constitute the darker side of the educational outlook. The brighter side of the story with respect to our North Carolina schools is characterized by the following facts:

1. In North Carolina state support of the public school program is an accomplished fact.

2. The length of the state supported term has been increased from six to eight months which means that the schools of North Carolina will be open for eight months to every boy and girl in the State. North Carolina is the first state to establish a state-wide eight months term.

3. Teachers' salaries are being paid on time and in money and will continue to be so paid during the biennium.

4. The right of local communities to supplement state standards of costs has been maintained.

5. North Carolina transports 240,000 children—one-seventh of all in the United States.

This record of improvement in a time of economic darkness is a record of which the State has every reason to be proud. It was not a victory easily won because its accomplishment neces-



sitated the adoption of a general sales tax. The people of North Carolina, however, were determined that their schools should be kept open and I am happy to assert that it was a real pleasure for me to assist the people with the full weight of my office in order that this record of public school progress might be achieved.

It should be encouraging to the people of North Carolina to know that while other states have gone backward North Carolina, in spite of prevailing economic conditions, has forged ahead to a new deal in education. As I see the situation, we have laid the groundwork for a greater and better educational system. As economic conditions improve, however, we must couple with any request which is made for increased appropriations for schools a complete evaluation of the proposed changes or improvements in the school program.

In conclusion, let me ask every member of my radio audience to participate actively in the observance of American Education Week. You can do this in part by remembering just what the American school means to the people of this State and to the Nation. As one president of the National Education Association has stated: "The American common school is the expression of a mighty faith. It has grown up out of need and aspiration. It is a bulwark of those democratic ideals and rights for which mankind has sacrificed and suffered throughout the ages. It is the home of light and reason. It is the hope of a better tomorrow. The common school is the house of the people." So, therefore, I ask that: "The next time you pass a school, pause a moment to think what that school means to humanity. Recall the long dark centuries when the masses were kept in ignorance—when greed and oppression ruled the world with an iron hand. From the beginning of man's struggle for knowledge, self-respect, and the recognition of his inalienable rights, the school is 'common' because it belongs to all of us; it is ourselves working together for the education of our children. But it is a most uncommon institution. It is relatively new. It is democracy's greatest gift to civilization. Throughout the world, among upward struggling peoples, wherever parents share in the aspirations of their children, the American common school is being copied. Let us cherish and improve our schools."

I thank you.

## PATRIOTISM FOR THE STATE

ADDRESS<sup>1</sup> DELIVERED AT NRA PARADE AND CELEBRATION

FAYETTEVILLE

OCTOBER 31, 1933

Today we are witnessing a magnificent manifestation of three things:

First, a keen appreciation of the existence of an acute and dangerous situation which still threatens and which at one time seemed destined to engulf the Nation in a sea of economic ruin.

Secondly, the patriotic determination of the people to rally to the Nation's defense and fight off this enemy as they would any other which threatened the national existence.

Thirdly, there is here apparent not merely a willingness but an eagerness on the part of the people to sacrifice something of their own on the altar of their country's welfare and the common good of all the citizens. For participation in NRA does involve a financial sacrifice necessary to guarantee higher pay, shorter hours, and additional employment, and we have here in your beautiful city today the proof of your willingness not only to do your part but, what is infinitely more important, to do it proudly. The salvation of the Stars and Stripes is wrapped up in these efforts toward recovery, and we who love it are determined that its honor, its integrity, the square deal, the opportunity for individual development, and all that the flag symbolizes and guarantees, shall be preserved and protected. We are in this economic war to win, and win we shall under the leadership of the great Captain in Washington who is directing the destinies of our country.

But you will forgive me for something of a querulous inquiry as I contemplate this spectacle. In all this marching and counter-marching, the show of banners, the protestation of patriotism, this exultant singing, the ready pledging of sacrifice in behalf of the Nation's good, may I not be forgiven and have I not the right, as the head of the state government, to ask: is patriotism in North Carolina confined to love of the Nation—do we not love our own State just as well? Time was when the State Flag

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<sup>1</sup>This is not the entire address. Only extracts were available.

floated above that of the Union and your fathers and mine, obedient to a constitutional concept, whose correctness cannot even now be denied but whose assertion was silenced only by the arbitrament of arms, pledged their faith and shed their blood in a cause which placed loyalty to the State even above loyalty to the Nation. Their idea of supremacy of state died with the establishment of peace between the states, but surely the love of state did not die with it and surely today the State has a right to ask the same loyalty and devotion to the protection of its own economic welfare and the preservation of its own activities as is exacted for the Nation. Make no mistake about it, the same enemy which threatens the Nation threatens also the State; the same dread forces which challenge combat for the welfare of the Nation have leveled their forces against your State. If the State in its warfare against these, in its effort to preserve your schools, your institutions and activities so necessary to our civilization, found it necessary, after utmost economies, to levy new taxes, has it exacted any more sacrifice from its people than the Nation? Even the levy of sales taxes, hated as they are, has not been confined to your State; the national government, faced with a like emergency, at the recent Congress and with the consent of the great leader, levied its own sales taxes. These burdens have been placed upon you by both State and Nation only because of necessities of meeting the economic situation with which State and Nation were confronted and in order to preserve the honor and the integrity of both governments. I cannot think that anyone who displays proudly the Blue Eagle symbol of his participation in the national campaign of sacrifice and effort against economic distress and gives thus the proof of his essential patriotism—I cannot think that such an one can find it in his heart to complain at the burden which the State has placed upon him to assist in the collecting of a part of its taxes. I know the people of North Carolina and I know that they do love their State and, so loving it, will cheerfully bear each, all and every burden which either State or Nation may impose upon them in their difficult days and in an effort to fight off the economic enemy that threatens the life and the sanctity of our government and governmental institutions.

## NORTH CAROLINA IS DOING ITS PART

ADDRESS DELIVERED AT NRA PARADE

LUMBERTON

NOVEMBER 2, 1933

This parade and celebration symbolize a condition and an effort. From what are we recovering and what sort of effort are we making toward recovery? The condition is one of economic stagnation and the effort is a glorious enterprize of governmental agencies to assist themselves and their citizens toward a real rehabilitation. We fight the greatest and most paralyzing economic distress which the country has encountered in a century, but what is more significant we fight it in the spirit of a crusader at war willing, yea eager, to make every sacrifice and endure every burden which a holy cause imposes, to the end that our country's good name and welfare may be preserved.

But what I wish to emphasize today is that your State, as well as your individual citizens, is doing its part in this recovery effort. It is worth noticing that though the Nation in its struggle has been compelled to add greatly to the load of public debt, your State is lightening every day its burden of obligation, and though the Nation, through the stress of the times, has been forced to levy many additional taxes, including various forms of sales taxes—the State during this administration has relieved both farm and home owners, the most distressed and burdened of all our citizens, and has added only a sales tax, which does not touch farm products or necessities. I glory with you in the fight which our great leader in Washington is making, and honor him and to the best of my ability have sustained, and will continue to sustain, him in his every enterprise. I have been thrilled, like you, by his leadership and I regard it as a high privilege to follow him in his every effort, whether it proves to be wise or not, for I know that always it is actuated by the highest purpose and sincere desire to relieve. I confess that sometimes I wonder why it is, while prayers for God's blessings upon national leadership are being uttered at all times, quite frequently from the same lips we hear requests for Heaven's condemnation upon state leadership, which is fighting exactly the same difficult battle. All I ask is that in the pouring out of your patriotism you do not forget your own State; in the recognition of a national distress



you do not overlook that it endangers your own commonwealth; that in the showering of your love and the pledging of your backing of the Nation's leadership you do not forget those to whom you have delegated the responsibility of leadership in your own good state of North Carolina. North Carolina as a state is doing its part not only in carrying on the essential activities of the government in the face of great distress and difficulty, but in the reduction of public debt, in the preservation of public credit, in the perfection of public education, in the relief of burdened homes and farms, in the lessening of the load of taxation, in the reduction of public expense, in the preservation of the opportunity for redemption at reasonable cost to distressed property owners, and in the promotion not only of the State's agricultural efforts but every other effort of the citizen toward the restoration of individual and collective prosperity.

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## TOBACCO CROP LIMITATION

ADDRESS<sup>1</sup> DELIVERED AT THE "GOLDEN WEED JUBILEE"

FARMVILLE

NOVEMBER 10, 1933

I wish to express my thanks for the personal tribute paid me in connection with this occasion and for the activity and the co-operation of those of you who have fought with me in the accomplishment of relief to the tobacco growers and to observe that there is in the final accomplishment glory enough for all in the realization not simply of the millions which the effort has meant to tobacco growers, but also the contribution which has been made, by the success toward the liquidation of debts, the salvation of the merchant creditors in the area affected, the emancipation of the farms and homes from the bondage of past and pressing debts, the rehabilitation generally of the section, and the protection of a vast number of tobacco growers from the starvation, blood, and tears which were threatened. Be assured of my earnest, never-flagging, and continued interest and activity

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<sup>1</sup>These are only excerpts from the address. The entire address was not procurable.



in behalf of the attainment of justice for agricultural producers, not simply in connection with realization from this year's crop but in the ultimate achievement of a permanent parity.

In this connection it is well that we remember the lessons of our fight and, above all, the imperative necessity for continued coöperation in production. Even though we may not have realized the ultimate of our hopes in price for our entire crop, when we remember that at the time the markets were closed tobacco was selling for an average of nine cents and the price going down, when we remember the experience of the Georgia farmers whose crop had all been sold, and our South Carolina brethren, a large part of whose crop had already been disposed of, when we remember that tobacco today is selling for the highest price in many years and an average above twenty cents and the millions that this change has meant to us, it is manifestly imperative for the protection of future crops that we carry out our pledge of crop limitation and complete expeditiously the sign-up of crop limitation contracts which the government will present. The government will never be permitted to suggest that our farmers failed to carry out, to the letter, their part of the understanding. The future salvation of agriculture depends upon our keeping faith in the matter of signing contracts.

You have heard the criticisms which have been made of our present school system, its facilities, its salaries, and its transportation provisions. They are not perfect — I regret curtailments — but I beg that you compare North Carolina's school facilities, salaries, and transportation with provisions in other states and see for yourself how we stack up before you condemn too harshly. Such a review will show conclusively that North Carolina has stood the depression more valiantly and has preserved more of her educational structure than almost any state in the Union. The desperate situation which confronted the legislature in January, the break-down of ad valorem tax realization; the complete collapse of the old system of dual support of schools and the imperative necessity for state action if educational chaos was to be avoided, are familiar but oft forgotten facts. Whatever of defects are inherent in our present system, there are three things which may be said of it which we should never forget: *First, not a school in North Carolina has been closed down for want of funds; secondly, an eight months school term has been guaranteed by the State for every child in it; and, thirdly, what salaries we have promised, we are paying prompt-*

*ly, and paying cash.* I verily believe that no other state in the Union can equal these accomplishments.

Let me point out also, for the benefit of those criticizing inadequacy of transportation facilities, that North Carolina transports one-sixth of all the children transported in the Union, has a walking limit that is equaled by only twenty states; that Michigan, the only state with a lower walking limit ( $11\frac{1}{2}$  miles), transports 240,000 daily.

The imposition of the sales tax has saved not only the schools, but the honor of the State pledged to pay its debts, and more than that, it has actually saved, in the restoration to par value of North Carolina bonds held by North Carolina citizens and institutions, some twenty-five or thirty millions of dollars. If these bonds, selling at nearly seventy cents on the dollar in January, had been permitted to go begging as a failure to balance the budget would have seen them begging, their value would have been reduced to at least fifty cents on the dollar and such shrinkage would have closed many more of our banks, destroyed many thousands of our merchants, and wrought absolute financial chaos in many of our North Carolina communities. By balancing the budget we have saved these, as well as our honor, and we will save, as well, nearly a million dollars in interest burden to the State. In addition, the sales tax imposition has enabled the State to take over the support of the eight months term and relieved burdened farms and homes of millions of taxes which they would otherwise have been compelled to pay or abandon their schools.

No home or farm has been sold to pay this tax; it provided an opportunity for installment paying of taxes instead of subjecting the citizen to the calamity of being "hit in a heap" as ad valorem taxes had struck him in the past. I challenge those who criticize the imposition of the sales tax to point out specifically how it could have been avoided under the conditions existing at the time the legislature was in session. Let them tell you where they would have imposed the tax and how they would have prevented its imposition. There is no other way except to push it back on your homes and farms or destroy your schools.

More and more of the merchants are finding out that their fears that they would have to absorb this tax and could not pass it on were unfounded. Their fine patriotism is bringing them into an increasing spirit of coöperation. They are demonstrating more and more each day that they not only love their national government but their state government also; that they have con-

fidence in the administration that has saved them from the destruction that an unbalanced budget would have wrought and has helped them to realize on old debts by assistance to the great agricultural territory which many of them serve; they cannot, in conscience, claim to be "doing their part" by simply assisting the national government, which has levied its own sales tax, but that they must be willing to assist their state government also. And to the few remaining complainers who are not paying but simply collecting the tax, I would say that if I were a merchant and unwilling to help my State as well as my Nation when it involved no cost to me, I would turn the Blue Eagle in my store around, for I would be ashamed to look it in the face for fear it would ruffle its feathers at me. It is not costing them anything, except inconvenience, but it is saving your farms, your homes, and your schools. Patronize the man who coöperates with you, but ask the man who complains what he is kicking about, and if he continues to complain when you are paying the tax, take your trade elsewhere.

This gathering, this testimonial, this praise which you have given me, shows that you believe in me, have confidence in me, and realize that I am fighting your battles for you. I am not playing in a political game. I am just trying to be for you as good a governor as possible. If I were actuated by political considerations I would probably have taken an easier and more popular way of ignoring our maturing debts, letting schools and other activities fall into chaos, and opposing the imposition of the unpopular sales tax, even though such a course meant shame to the commonwealth and the collapse of our educational and other worth-while activities. But I am fighting for your State's honor, which is your honor, your state schools, which are your schools, the preservation of your state institutions, which are your institutions. I am fighting for you. All that I ask is that you stand by me, back me up, and don't let confused issues bother you. We have fights ahead. We will need real men to meet them. I am not thinking of personalities. I am thinking of problems and patriotic state-wide considerations. Ofttimes in such fighting it is necessary to do things which are unpopular but manifestly for the best, and time alone proves the righteousness of such actions. Let me assure you that I am with you and pledge that I will keep on fighting for you. Are you with me? Let this be your answer to carping criticisms.

## ADVANCEMENT OF NEGRO EDUCATION

ADDRESS DELIVERED AT FOUNDERS' DAY EXERCISES AT  
SHAW UNIVERSITY

RALEIGH

NOVEMBER 20, 1933

Let me offer my very sincere congratulations upon this Founders' Day gathering, commemorating as it does sixty-eight years of academic usefulness and fifty years of operation under its present honored name, Shaw University. To have ministered to the educational aspirations of 10,000 men and women and to have sent out for useful service throughout the land 2,000 or more graduates is in itself a record sufficient to establish this institution not only as one of real ministration but as having a potential influence upon the life and well-being of your race and the entire commonwealth which cannot be measured or overestimated. Recalling that this institution is the second oldest in the South, the first to open its doors to young women and the first to be granted an "A" rating by the state educational department, it is no wonder that today you are able to make the proud boast of furnishing approximately twenty per cent of all the principals and teachers in the Negro high schools of the State.

But the past in the life of either an individual or an institution counts but little in long time estimation unless it accurately appraises the present and diligently prepares itself for the service opportunity of the future.

In the consciousness, therefore, that the honorable traditions of this institution, as well as its activities in the days gone by, lend force as well as background to its splendid present-day reputation and give most promise of high enterprise in the future, I venture to lay before you a few facts in the educational situation in the State, to the end that, sensing its progress and surveying its future, you may the better prepare yourselves to grasp the opportunity of the moment and go forward to a more glorious service to your people and your State in keeping with your traditions and your opportunities.

Particularly recalling the high percentage of your graduates which go to the ranks of the teaching profession in North Carolina and which today hold important posts in that field of activity, I venture to lay before you certain real accomplishments and evidences of progress which have marked the last ten years par-



ticularly of educational effort in North Carolina in the schools provided for our Negro education. Just nine years ago—to be exact in the school year 1924-25—in eighty of the one hundred counties the average education of the Negro teachers was below high school graduation, while in fifteen others the average was of high school graduation but less than one year in college, and in only four counties did the average show training equal to one year of college or more. In 1932-33 only six counties, in the far west, had teachers with less than high school graduation; only seventeen counties lagged with a high school graduation and less than one year of college training average; while in seventy-six, or more than three-fourths of the counties of the State, the teachers averaged at least one year of college training; thirty-three, two to three years of college training; and seven, three to four years.

Summarizing, in nine years the average training of Negro teachers in North Carolina has risen from barely actual, to high school education, to more than two years college training. Secondly, in the last decade there has been a gain of more than 1,200 teachers in the colored schools of the State, or 23 per cent.

In this connection, also, it is interesting to note that the state of North Carolina has invested in state institutions devoted to the task of training Negro teachers a capital outlay of nearly three million dollars and has made appropriations for maintenance of these since 1921 of over two million dollars. It is worth recalling that the first building ever placed upon the campus of the University of North Carolina by the state of North Carolina in the long period of its history came as a result of an appropriation by the legislature of 1905, and it is worth recalling that prior to this time the State had made similar appropriations for buildings on the grounds of some of its institutions for training its colored citizens.

It is significant, also, that at the present time North Carolina has invested in Negro public elementary and high schools approximately eleven and a half million dollars and in Negro public higher institutions of learning nearly three million additional dollars.

But most significant of all, in 1931-32 only thirteen whole counties and parts of counties had terms of eight months and longer for Negro children and the percentage of such children taught in the schools was 42.16 per cent, while in 1933-34 all the counties, except Gates, Granville, Northampton, Pender, Pitt, Tyrrell, and



Watauga, have budgeted school terms for Negro as well as white children, and some schools in all these counties will operate for fully eight months. It is estimated that 80 to 90 per cent of the Negro children will attend school this year, or three times the percentage of two years ago, and that 2,000 Negro teachers at least will teach eight months this year, instead of six or seven as last—that is, they will draw pay for two months longer this year than last. This interesting study of the situation in this and other states having a Negro population of over seventy-five thousand will show that North Carolina in its provision for financial support and consideration generally ranks among the first. No wonder that Basil Matthews, the English writer of distinction, after studying the situation, made the statement: "The growth and progress in high schools for Negroes in North Carolina is the most remarkable development of high schools in recent times in the United States of America." And no wonder that Dr. Clark Forman, director of studies for the Julius Rosenwald Fund, in one of his dissertations, made the statement: "It is significant, however, that North Carolina is generally regarded as having the most liberal and enlightened educational program for white people as well as Negroes."

In the midst of something of misunderstanding and occasional misrepresentation of those from the outside who are unfamiliar with the facts, it is worth-while for us to bring to mind these facts, and more particularly to think of the way in which they have been brought to pass. *These things were not secured by the sword—they are not the product of hate and emphasis of racial antagonism—they came not as the result of militant or blatant demands from within or from without. These are the fruits of friendship and a sympathetic coöperation under the leadership of such as Dr. N. C. Newbold of the state educational department and your own Dr. Nelson.*

I bring them before you today as a friend talking to friends, as one who is sincerely interested in the welfare and progress of your people and concerned about the correcting of inequalities in consideration or treatment whenever or wherever they exist. I bring them to a place where there is not only a tradition of honorable service but an atmosphere of friendship and coöperative concern. If the number of your graduates and former students who are actively laboring in the educational field is great, then the sphere of your influence is correspondingly great, and I feel that I can look to you always for a diligent enterprise and

effort toward the promotion of the friendship and good will which is essential to the future welfare of both races and the building of a patriotism that would serve always the best interests of all the people.

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## PLAN AND PROSPER CAMPAIGN

ADDRESS DELIVERED AT THE ANNUAL DINNER GIVEN IN HONOR  
OF THE GOVERNOR BY THE NORTH CAROLINA  
PRESS ASSOCIATION

RALEIGH

DECEMBER 8, 1933

These dinners were inaugurated during the term of my predecessor, Governor Gardner, for the primary object of promulgating an agricultural program for North Carolina. At the first of them, which was held in the Executive Mansion, the Live-at-Home Campaign was started, and no one familiar with conditions before and after in North Carolina has doubt of the splendid worth-whileness of this enterprise or of its great contribution to the material welfare of our State. It has been worth millions of dollars to the Commonwealth and has resulted in an improvement in every agricultural effort which is difficult to translate into terms of dollars and cents.

But the changes brought about by this great depression and the activity of the Federal government in the present emergency make imperative a further study and effort to fit our program to the times and make it serve more effectively the ultimate good of our people. We must, therefore, rechart the course in the light of existing weather conditions, to the end that the ship of state may be headed towards the haven and harbor of well-being which she seeks.

A simple live-at-home program is manifestly inadequate to the needs of the day. We must change our whole philosophy of farming. Manifestly now we must farm first of all to live, and, secondly, to make money, or we are headed for inevitable ruin. Many who observe closely realized long ago that readjustments of a revolutionary character were inevitable in our agriculture activities.

The emphasis of governmental effort, both state and national, has for many years past been on increased production through

the stereotyped demand for better seed, improved methods, and soil improvement. These all tended to make two blades grow where only one had grown before. To this was added an increased acreage given over to tillage in order to answer the increased world needs which followed the World War. All simply worked toward a greater and greater production, and when the economic debacle came with its loss of markets and loss of buying power, we found ourselves engulfed in surpluses which could not be disposed of or consumed. The result might well be described as agricultural chaos.

Even in times of peak prosperity agriculture had failed to command for its products prices which were comparable to other commodities. In the economic collapse which we characterize as the great depression it was completely crushed and its dependents reduced to the serfdom of starvation.

Various methods of dealing with the situation and of approaching improvements have been suggested. Sensing the necessity for a state program in agriculture as far back as June, 1931, and in connection with the announcement of my candidacy, I outlined my own views in these words, which have been from time to time repeated: "The present starvation prices in cotton and the terrible plight of its producers illustrate the disastrousness of the situation and the futility of dependence upon the federal farm board. We must take vigorous steps to help ourselves. There should be continued insistence upon and enlargement of our live-at-home program; an added emphasis upon the proper utilization of our waste acres in timber growing, game breeding, public hunting preserves, and like usages; a definite movement toward discovering new uses and new markets for all our products; a real effort toward reduction of our staggering fertilizer bill, and above all, *a diligent enterprise toward developing a practical plan for applying the principle of coöperation to the problem of production. Given an intelligent coöperation in growing crops and the marketing problem will be more than half solved.*"

I may be pardoned for directing your attention particularly to so much of this statement as reads as follows: ". . . above all, a diligent enterprise toward developing a practical plan for applying the principle of coöperation to the problem of production." That is exactly what the agricultural adjustment activity in Washington is attempting to do, and the passage by Congress of

this law gave rise to the first real effort under legal sanction to apply this principle of coöperation to our national problem of production.

And since it is manifest that we are now fast approaching—if we have not as yet completely achieved—a national planning in agriculture, it is equally manifest that we in North Carolina must envision and inaugurate a state plan of recovery and an agricultural activity which is in harmony therewith.

I propose, therefore, an up-to-date program or plan for agricultural activity in North Carolina. If a name and a slogan is demanded let us call it, the farm "Plan and Prosper Campaign." It involves an enlargement and readjustment of our live-at-home program which will, in my judgment, enable us as a commonwealth not only to conform to the national requirements but also at the same time to reap for our people the fullest possible benefit under the new agricultural economy. It is broad enough to include both our home garden program and an enlarged live-stock production effort.

It embraces a four-fold activity and the coöperation of several of our state governmental departments, upon each of which I am calling for the fullest possible support.

*First. A complete and cheerful coöperation with the Federal acreage reduction plans, particularly in the basic crops;*

*Second. Individual farm production planning with particular reference to our retired and waste acres and in harmony with our home and farm necessities;*

*Third. A real "Home Marketing" activity designed to make easily available to home markets our home products, and*

*Fourth. A real effort toward reduction of our fertilizer costs (a) through an intensive study of our fertilizer necessities and the ways of lessening production costs; and more especially (b), through an active stimulation of livestock production in our State.*

Now please do not interpret my remarks as indicating a failure to appraise properly the worth-whileness of our past efforts. These have contributed greatly toward increased efficiency and if through improved methods they have tended to increase production they have also contributed toward the reduction in production costs, which in the light of competition is increasingly important. In other words, if we have learned to grow two blades in place of one, we have also learned or are learning to grow



them at a lower cost, so that we can produce our needs under a rational plan and coöperative production with less effort and at diminished cost.

Studies have been made by the North Carolina extension service in connection with the preparation of this program and for use in connection with its promulgation, which show conclusively that in farming, as in every other enterprise, efficiency is the keystone of success, and that it is not the efficient but the inefficient farmer who in the last analysis makes toward that surplus which is our great problem. Tables compiled for distribution show that the inefficient farmer who seeks through increased acreage to overcome the handicap of his own inefficiency, contributes *and does so at a relatively higher cost*. These tables will be at the service of all inquirers.

Permit me now to discuss briefly each of the four proposals in the recovery and agricultural activity plan which we are now putting forward.

First. I propose full, prompt, and cheerful coöperation with the Federal acreage reduction plan in all basic crops. That means that the fullest possible encouragement and support should and must be given to the sign-up campaigns now in progress and soon to be inaugurated.

We have been talking much of parity prices for this year's crops. But we must not stop with such a short sighted effort, contemplating as it does the realization of a fair price from a single crop only. We must concentrate our attention upon a "permanent parity" and this can be accomplished only through coöperation with the Federal government in its acreage reduction efforts and such allocation activities as it may inaugurate in the future. Our experience in the campaign to raise tobacco prices is too recent and full of significance to miss the underlying principle involved. When the matter of relief for this year's crop was first suggested Washington authorities, not once but several times, indicated that nothing could be done about it. Then came the announcement of the levy of the processing tax on tobacco and we had the suggestion that this was the limit of possible aid for this year's crop. Indeed, one of our great dailies immediately thereafter carried a Washington news dispatch to the effect that in view of the processing tax imposed it was thought probable that the committee would abandon its proposed trip to Washington.

But we went and we offered a simple plan which I had the honor of proposing and which was immediately approved by delegations from our sister states of Virginia and South Carolina. It can be described in a single sentence. We said to the government, "We will accept such for our tobacco as you say is a fair price and we will agree to plant such crop as you say is a proper crop." Choice of methods to accomplish a fair price was left absolutely to the government. The challenge was direct and simple. The government officials accepted it in fine spirit. They told us to go back and start a sign-up campaign on this basis. The campaign was put through with a speed and unanimity that attracted the attention of the Nation. The resulting benefit of some million dollars of increased returns to our farmers is history. The farmers of North Carolina today are perhaps in better financial condition than those in any other section.

And what is responsible for it all? The simple application of the principle of coöperative production through a planned agricultural effort.

We have made this principle, therefore, in line with my declaration of long ago, a vital and central part of the program here promulgated, and the second and most important of our proposed activities is therefore:

Second. Individual farm production planning with particular reference to our retired and waste acres and in harmony with our home and farm necessities.

Here is an opportunity for real service by state departments and we have already compiled plans for the carrying on a real campaign of "individual planning" by our farmers under state guidance and assistance.

It has been estimated that Federal crop reduction campaigns will retire from cultivation some 600,000 acres of lands which have been heretofore planted in cotton and tobacco alone. Here is a real problem, not only from the standpoint which considers the waste of mere idleness but also from the standpoint of the protection of other basic crops against the increased competition which the utilization of these acres might bring. It is important, therefore, that we consider the possibilities which are presented for the use of these acres in a way which will fit in with our planned agricultural effort and yield the greatest amount of benefit to our North Carolina citizenship.

While the problem of planting 600,000 acres seems staggeringly large, when we consider our entire situation it is by no

means an insuperable problem. A study of our present situation as a result of improvements wrought by the Live-at-Home Campaign inaugurated by Governor Gardner shows that while the campaign has resulted in a magnificent progress, there is yet a vast quantity of agricultural production which could be used in our State but is not here produced. For instance, these studies disclose that to supply the necessary vegetables, foods, and feeds for the rural and urban population of North Carolina, for the livestock on our farms (based on a five-year average yield per acre 1928-1932) crop acreages could be increased in 1934 approximately as follows: Wheat, 554,000 acres; corn, 790,000 acres; oats, 484,000 acres; hay, 150,000 acres; pasture, 252,000 acres. Total, 2,230,000 acres.

Also a study of our livestock situation shows that we are still woefully lagging in this enterprise. To supply a balanced feed for our present livestock and optimum diet for our human population, our livestock should be increased for 1934 above that presently on hand as follows: Hogs, 360,000 head; beef cows, 110,000 head; dairy cows, 87,000 head; laying hens, 5,400,000 head.

It appears, therefore, in addition to the total acreage above suggested, if our livestock is to be increased as shown above, which increase is justified by our population, it would be necessary to increase our crop planting by still another million and a quarter acres above the amount set forth. And when we recall that in any plan of sensible farming contemplating improvement of lands from a productive standpoint, thousands of acres also should be planted in soil building crops, some seeded to permanent pastures and the marginal and more eroded lands to soil erosion crops and forests, it is manifest that we have ample opportunity for the utilization of the 600,000 retired acres and a greater challenge for constructive and capable individual planning.

I cannot pass the suggestion of increasing our livestock without some further observation. It has been my deliberate conviction for some time that in this particular our own State is extravagantly neglectful. Throughout the United States as a whole whenever the farmer gets a hundred dollars for crops he gets another hundred dollars for some form of animal production. And though we have preached for some time in general pure-bred livestock improvement, here in North Carolina today, in spite of these efforts, our farmers on an average get only about



\$25.00 from animal production for every \$100.00 for crop production. This is a state perhaps more ideally suited to livestock production than any other, or certainly as well adapted. While we have sometimes ranked fifth in crop production, yet in livestock value per farm, if I mistake not, only the state of Alabama ranks lower than North Carolina; and while our farmers stagger under tremendous fertilizer bills for maintaining crop fertility the opportunity for relief through livestock production is constantly neglected. In my inaugural address I gave some emphasis to this viewpoint and suggested that the natural follow-up of the Live-at-Home Campaign would be a campaign for more livestock, dairying, and poultry in North Carolina.

The conclusion is therefore inescapable that the greatest impetus that we can give to agriculture in North Carolina and the greatest service that we can perform at this present moment is to project and push, with all the energy at our command, a campaign for individual planning in keeping with the needs and the necessities of the State. Through assistance of the extension service at this great institution, and particularly the effective and intelligent study of C. A. Sheffield who, at my request, has covered broadly the entire problem, tables have been compiled and will be distributed showing, besides the facts already referred to, acreage trends in North Carolina in other crops and livestock from 1929 to 1933 and five-year percentage increases in acreage planted to food and feed crops in North Carolina, as well as the figures on acreage reduction in the principal cash crops.

Briefly, from these it appears that there have been decreases in acreage given over to cotton, tobacco, peanuts, wheat, oats, barley, and rye, while in all other crops and livestock there has been an increase. The percentages of increase and decrease, which also are chronicled, reflect an interesting comparison. What I wish most to emphasize, however, is that there has been worked out also a practical and simple plan of budgeting the crop of the individual farmer to his personal and the State's needs in harmony with the Federal crop reduction campaign. Given a few simple facts with reference to the individual problem, such as the number of persons and number of animals and livestock, a proper budget can be easily worked out according to a key which is available and the farmer can get the best possible opportunity for the utilization of his acreage in a way which conforms to national and state requirements and inures to his personal advantage. With a yardstick for individual farmers readily



available and a budget and cropping plan for the individual farm, it will be possible for the local committeemen, numbering approximately 2,000 farmers, who are to secure the signatures of tobacco and cotton farmers to adjustment contracts, to obtain also the basic data from each farm when the contract is signed, and the county agent in his office, with the assistance perhaps of vocational teachers and the clerical help therein, to provide a rounded program of agricultural effort for the individual farmer, which surely would require but little persuasion for his adoption since it is so manifestly to his advantage.

Of course a planned production, even in a single state, should and it will take into consideration certain fundamental factors which arose out of what we might call the human geography of the situation. For example, local needs, topography, the climate, temperature, soil, labor, and moisture conditions. Our State quite naturally divides itself into at least three "human use" regions and these have already been considered in the general setup.

Let me also, in this connection, call attention to the very proper and manifest opportunity for utilization of waste acres in such enterprises as game propagation, game preserves, timber growing, and pasture for an increased number of livestock. In these activities we offer and will be glad to afford the fullest possible coöperation of our Department of Conservation and Development, as well as the available services of the Federal government in connection with such matters as game forestry and pasturage. In this connection, too, we should recall the opportunity (which is considered in the budget) for soil improvement crops on retired and waste acreage and the desirability of a regular and systematic dedication of portions of the farm to soil improvement crops.

Third. We suggested an intelligent plan of state assistance in connection with the marketing and distribution of our crops with particular reference to our home state markets. Our state agricultural department and other state agencies may be counted upon for full assistance in this particular. I do not desire to spend any great amount of time on this suggestion. I shall content myself with merely calling attention to one sadly neglected opportunity. The eastern and tide-water sections of North Carolina use annually hundreds of thousands of bushels of seed Irish potatoes. These seed potatoes are purchased almost invariably from Maine or Canada. Actual experiments show that seed grown in our cold mountain sections of North Carolina are just

as good, if not better. Here is a great opportunity for Western North Carolina and for Eastern North Carolina as well—an opportunity which we shall endeavor to see is not neglected. In this connection, too, it is proper to note the possible development of certain trade centers throughout the State. As for example, Boone for cabbage; Mt. Airy and Wilkesboro for turkeys, Maxton for cotton, Asheville for beef cattle.

Fourth, and last. We suggested a real effort towards the reduction of fertilizer cost. To this end both the state agricultural department and the experiment station will be called upon to bend every energy and effort towards the assistance of individual farmers in the solution of this problem. And here again I emphasize the necessity as well as the advantage of a real livestock production activity throughout the State.

What have we then? Nothing of particular originality, but a little, I trust, of particular emphasis upon sound principle which poverty and privation and our ever mounting losses have pressed upon us cruelly in the years just behind. A chance to test anew our willingness to make something of temporary sacrifice for the common good; to attain a long-time gain, and for the purpose of achieving a sound economy and an assured independence through this commonalty of effort. If the shadows of the great depression have dimmed our enthusiasm, have darkened our hopes, have converted apparently the brightness of our opportunities to the gloom of despair, can we not believe that under the power of sane planning and individual coöperation our enthusiasm may be restored, our hopes revived, our gloom dissipated and our despair overcome, and that we may come soon to realize that, after all, these have been but shadows and that the shadows are passing? It is not merely a sordid self-sufficiency which we seek, it is rather a humanitarian enterprise to liberate the people of our State from the peonage of privation which an unintelligent agricultural effort has imposed upon them and will continue to impose unless corrected. Let us give to the effort the best that is in us. I know that I can count upon the press for an unstinted and enthusiastic support.

## JAMES BUCHANAN DUKE AND HIS IDEALISM

ADDRESS DELIVERED AT THE NINTH ANNIVERSARY OF THE  
DUKE ENDOWMENT

GREENVILLE, S. C.

DECEMBER 11, 1933

*Mr. Chairman, Ladies, and Gentlemen:*

Quite eagerly I have journeyed to this gathering, not only to pay my personal tribute to the glorious enterprise whose anniversary you celebrate, but also to voice in all sincerity something of the gratitude of all the people of North Carolina for what it has done for them. It is entirely within the bounds of reason to say that this foundation is perhaps the most challenging and magnificent munificence which the world has seen; and certainly in modern times. In its institution Mr. Duke gave proof of a breadth of vision, a depth of understanding, and a height of idealism which has been rarely evidenced, and the joy which must have been his in seeing it actually under way before death closed his eyes in the last long sleep is beyond the power of man to estimate.

Nine years is a brief period in the life of a man or the life of an institution or activity; but brief as it is, in this particular instance it has been sufficient to demonstrate the worth-whileness and permanence of this activity and to attract the attention of all the world to an unmatched philanthropy. So I count it a peculiar pleasure to be privileged to come here and speak something of appreciation for what has been done in my own state of North Carolina, what is being done at present and for the glorious promise of what is to be done in the future.

Birthdays whose celebration is purely formal are quite empty and meaningless things and might just as well be forgotten. In the life of individuals as in the life of activities they should be occasions for appraisal, to the end that the past may be properly appreciated and the future properly directed. And in this spirit it seems entirely fitting that, gathered as we are for conference, consideration, and consecration, there should be something of appraisal of the benefits and activities of this foundation as a basis for the understanding of our problems and the preparation to meet them.

There are many ways in which the activity of the Duke foundation might be measured. Most cryptically, we could say that in the nine years of its existence it has expended nearly fourteen

million dollars in North Carolina, distributed among 119 institutions, scattered over 51 counties. This would cover in figures and in geography the placement and entire activity and might perhaps satisfy an extremely materialistic view. But what a cold and meaningless thing is such a definition. Then, too, we might point to the things for which this vast sum has been expended; the orphanage and hospital buildings and equipments, the creature comforts for the distressed little ones and those who are burdened with pain and suffering, the magnificent centers of learning and culture which mark the campus of Duke University, the outstanding center of this foundation's activities, and have converted it not merely into a thing of beauty and inspirational charm but one of the outstanding institutions of learning in the Nation. One might point to the infinite detail of structure and practical provisions here made and to the lofty towers pointing their fingers ever upward, and the countless other material things which have been purchased through these expenditures. Still, in such enumeration we will have failed to appraise properly this foundation.

And venturing into the spiritual side, we might even undertake to describe the sense of gratitude in the hearts of the little children whose distress has been relieved, the sob of satisfaction from the heart of the suffering to which it has ministered, and the immeasurable gratitude of the ambitious intellect which has received through this foundation an opportunity for light and learning, and yet we will fall short of the goal of accurate appraisal.

I like to think of this foundation as something more and above all this: as the perpetual manifestation of the impulse of an understanding heart and the spirit of its founder, James Buchanan Duke, which persists and shall continue to persist through all the years of its activities. In my humble opinion, one of the greatest prayers ever uttered was that which fell from the lips of Israel's king who, when offered by the Almighty such gift as he might choose, prayed not for wisdom, as is commonly suggested, but "Give me, I pray O God, an understanding heart." For thus, even before the bounteousness of heaven's blessings were showered upon him, he gave proof that he had sensed the great truth, namely: that cold intellect, unprompted and uninfluenced by the great surges of which only the heart is capable, was not true wisdom.



In this foundation Mr. Duke gave irrefutable proof that he was possessed of an understanding heart. He knew from actual contact with them the needs and aims and the yearnings of the poor and lowly. He appreciated the challenge to our civilization which was constantly present in the failure to satisfy these things; he struggled against difficulties through all his years, giving finely and freely of the great capacities of his head, his hands, and his heart to build up not only the dream which here finds fulfillment but the means through which this dream could be effected; and it is comforting to realize that he saw it started on its way before his end. In its past which we celebrate, its present which we contemplate, and its future which we vision, this endowment evidences that he had himself fully realized the ultimate truth in the poet's suggestion that we should

Live in deeds, not years: in thoughts,  
 Not breaths;  
 In feelings, not in figures on a dial.  
 We should count time by heart-throbs.  
 He most lives who thinks most,  
 Feels the noblest, acts the best.  
 Lives in one hour more than in years  
 Do some,  
 Whose fat blood sleeps as it slips  
 Along their veins.

James Buchanan Duke sensed the fundamental fact that

Life's but a means unto an end;  
 That end, beginning, mean, and  
 End to all things, God.  
 The dead have all the glory of the world.

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## LOYALTY

ADDRESS<sup>1</sup> DELIVERED AT THE GUILFORD COLLEGE  
 CENTENNIAL CELEBRATION

GUILFORD COLLEGE

JANUARY 13, 1934

On behalf of your State I come to felicitate you upon this happy occasion, which marks one hundred years of devoted service of

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<sup>1</sup>This is not the entire address. Only extracts were available.

an institution to her faith as well as to her sons and daughters. It ushers in as well the beginning of a new and greater day and the institution of an effort to bring about a larger opportunity and greater service in the future.

Let me acknowledge also the great contribution which Guilford has made to the social, the intellectual, and the spiritual life of the State. Not only in the chronology of your own greatness but in the chronicle of the commonwealth there looms large the names and deeds of Hunt and Hubbard; of Coffin, Coxe, and Clark; of Mendenhall and Moore; of the valiant and irrepressible King; of the saintly and justly celebrated Doctor and Mrs. Hobbs; and last, but by no means least, the able and scholarly leader whose heart never tires, whose soul is filled with an ever-broadening vision and whose head is filled with a sound and various learning—in your present leader, Dr. Binford.

That your future may be as rich in the fruits of scholarship, character, and devotion to duty as the glorious past we now commemorate is the greatest wish which I could make for you, and I pray that Providence may grant its fulfillment.

This outpouring is a manifestation of loyalty which immediately suggests the theme which I have chosen as the subject of my brief remarks. For loyalty is a quality of heart and mind and spirit which largely shapes the destiny of the individual as well as the institution, and if we can fix and determine the loyalties which shall be paramounted we can largely determine the character which is to be developed.

Consider for a moment the loyalties of life and effect upon those who follow them. In youth they are vehement and vocal, in maturity they become fixed and sure, in age they are tinged with the mellowness of retrospection and the hope of the inevitable harvest. May I suggest out of the many which come to mind a few of those which give greatest promise of real accomplishment and my concept of what they mean or should mean in life.

First of all, there is the loyalty to self, as demanding not selfishness but service to one's highest interest, and is embodied in the poet's suggestion that being true to oneself "thou canst not then be false to any man"; loyalty to the blood or kin as indicating not blind allegiance to clan, but the willingness even where it conflicts with self, loyalty to locality, home, city, college, state

or nation, that recognizes the appeal of the sentiment "Right or wrong, my country," but lays greater emphasis upon and labors more diligently to accomplish the first part of the expression, "My country, may she ever be right." There then is loyalty to truth, the outstanding end and aim of learning, the loyalty which refuses to be chained to any dogma, recognizes the challenge of "teasing truth" and its "thousand faces" and seeks resolutely to achieve it; that demands, in service to this loyalty, an honesty not merely of the hands but of the intellect as well. Finally, there is loyalty to God as the source of all goodness and truth and love, which insists that all earthly activity and enterprise be directed toward this ultimate.

Such, it seems to me, is the ideality which this great institution has preached and practiced, the ideality of the patient, persistent and steadfast life. If I may be permitted to phrase a somewhat alliterative but altogether accurate analysis of the Guilford ideal and its particular contribution to the educational history of the State, I should do it in this way: a sane, sound, and substantial schooling, freed of frivolity, constructed on character and filled with faith. With such a consecration we not only can glory in the past but we can begin today in militant pacifism for a more glorious future.

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## NORTH CAROLINA'S FINANCIAL SITUATION

ADDRESS DELIVERED BEFORE GASTONIA CHAMBER OF COMMERCE

GASTONIA

FEBRUARY 2, 1934

Looking back to the time at which this administration came into existence and surveying the situation as it then existed, one is immediately impressed with a realization that out of the distress and difficulties of the great depression then at its height, three problems presented themselves, demanding immediate consideration and solution if the State were to avoid bankruptcy and continue to provide the service for the public which the public expected and their welfare demanded. The first of these was the problem of state finances, the second the problem of the public schools, and the third the problem of providing something of re-

lief in ad valorem taxation for the benefit of the distressed and over-burdened home and farm owners. Any fair appraisal of the work of this administration since its beginning must take into consideration these problems and the way they have been met.

At the beginning of 1933, by reason of the constantly increasing shrinkage of revenues which at the time of legislative convening had brought tax collections far below legislative appropriations, the State was running behind; that is, accumulating an overdraft or deficit at the rate of approximately seven million dollars a year, and the new administration found itself face to face with a short term borrowing of approximately fourteen million dollars, made necessary by this deficiency. The state of North Carolina in days of prosperity had previously issued a considerable number of long term bonds. The new short term or deficit notes represented temporary borrowing to cover deficiency in revenue. They were held largely by bankers outside the State, were drawing six per cent interest—the highest rate allowed by law—were fast becoming due and their holders were refusing extensions and demanding immediate payment. As a result, default and financial chaos were staring us in the face. To make matters worse, operating costs of the state government had been severely cut during the previous administration by the chief executive under his budget control powers and the state provision for its normal functioning greatly curtailed. It was manifest that one of three things must be done in order to accomplish a readjustment of our financial situation and bring order out of the threatened chaos—our expenditures must be diminished, our revenues increased in substantial proportions, or a resort must be had to a combination of both these expedients. The necessity for such readjustment was emphasized by the fact that the market for our long-term bonds showed that they were diminishing greatly in sales values and in some instances were being offered for as low as sixty-five and seventy cents on the dollar, while a North Carolina bond should be worth par any time and anywhere. And, contrary to general opinion, these obligations due by the state of North Carolina were not held exclusively by non-resident banks or bankers, but at least 30 per cent of them were owned by residents of North Carolina and constituted the financial backlog of many banking and other institutions. Their loss of market value and the threat involved in an



unbalanced budget and an even further loss in their values was a threat to the welfare and solvency of numberless holders resident in the state of North Carolina and constituted also a constant threat of the disasters which invariably follow in each community the collapse of banks and other enterprises upon which the community's prosperity is founded. The State had, as above indicated, already borrowed fourteen million dollars in short-term notes. Its borrowing capacity was at an end. Its ability to sell either long-term bonds or short-term notes had been exhausted.

The second problem concerned itself with the preservation of the public schools of the State. Forty of our counties and 106 of our municipalities had already defaulted, and the imminence of other defaults which later increased the number of defaulting counties to fifty-eight and the municipalities to 132 was manifest. In 1921 the cry for land tax relief had started in the State and this had become more insistent as the years passed. Land had been bearing for a long time a high percentage of the tax burden and land values continued to fall under this and the general depression then weighing heavily upon us. In response to this cry the legislature of 1923 appropriated one and a quarter million dollars to an equalizing school fund. In 1925 this was increased to one and one-half million; in 1927 to three and one quarter million, and in 1929 to six and one-half million; in 1931 to seventeen and one-half million, \$4,700,000 of which was to be paid by the fifteen cents state-wide property tax. Both major political parties had pledged themselves to a revaluation of real estate, which was then overdue, and to the removal of the fifteen cents ad valorem levy, and the insistent cry for its removal was heard in every county in the State from the mountains to the sea. The fact that at this time the counties could not collect their ad valorem levies, that homes, farms, and business properties in vast quantities were being sold for taxes, accentuated this demand. And the impossibilities of ad valorem taxes continuing to bear the strain imposed by the existing setup for school support made it manifest that unless some drastic step was taken the entire educational structure in the State would soon collapse. In the light of subsequent development those well posted have no hesitancy in saying that but for the action taken by the legislature of 1933 the rural system of education in North Carolina



Governor and Mrs. Ehringhaus with the Governor's father, Erskine Ehringhaus, in Elizabeth City, May 30, 1933.



would have collapsed completely; and in many of our larger centers, notwithstanding constitutional provisions and guarantees, less than six and in many instances less than a four-month school would have resulted. Thus the three problems, finances, public education, and land tax reduction, were presented.

What has been done in meeting these problems? No one can deny the fact that they were the outstanding problems confronting the administration. Whatever mistakes the administration may have made, whatever errors of judgment and action may be charged against it, I assert unhesitatingly that this administration is entitled to the respect and confidence of the people for the way in which it has met and solved these problems.

The legislature of 1933 labored long and earnestly in study and consideration of these problems. It reduced governmental operating cost an additional 32.13 per cent; a reduction which represented, as everyone concedes, a cut to the bone, and a step along the road to economy which was not exceeded by any governmental unit on the continent. Even after this reduction it was manifest that new revenue in substantial proportions must be provided to make revenue balance spending. After earnest study a proposal for the State to take over the operating of the eight months school term and support the same in large part through a sales tax, additional corporation franchise, income, license and inheritance taxes, was adopted. It was considered that the schools were for all the people and that all the people should therefore assist in maintaining the schools by contribution through the sales tax. Through this means and through the consolidations and savings which such a system afforded, the State was able not only to guarantee, and thus become the first state in the Union to guarantee, an eight months school to every child, but also to accomplish a relief to property owners which throughout the State aggregated \$11,400,000, and to balance its budget as well.

Whatever vices may be attributed to the sales tax in North Carolina, three items at least must be placed on the credit side of the ledger: (a) It has saved the credit of the State; (b) it has saved the educational system of the State; (c) it has saved the homes and farms of hundreds of property owners throughout the State.

Today North Carolina's credit is good; its bonds are selling at par or better; its short-term notes are held largely in the State



and those in New York are renewable at will and, as the bankers there advise, considered of such a high order that they are not for sale. Its interest rate has been reduced from 6 to 4 per cent, resulting in an annual saving to the State in interest alone of approximately half a million dollars: enough to pay the annual running charge of some first-class activities and institutions. We met our bond maturities and interest payments on January 1st in cash, and though they aggregated \$6,103,000, we were able to do this, pay our state employees' salaries prior to Christmas and pay also our pension maturities without the necessity of resorting to temporary borrowing. This is the first time in many years in which the State has not been compelled to resort to tax anticipation borrowing along in December to meet bond maturities in January. North Carolina is today the only state in the Union in which an eight months school term is guaranteed to every child and it is a matter of pride that of the one million children throughout the Nation who have seen the schoolhouse door close in their faces during these distressful times, not one lives in North Carolina. And while the teachers' salaries are low in this State, they have also been lowered in practically every other state; and in North Carolina no teacher has failed to receive his or her pay promptly and receive it in cash, whereas in many states payments are being made in script which is subject to large discount. The relief in property taxes, general throughout the State, is manifest in Piedmont North Carolina and in your own county and neighboring counties. The figures in your county and neighboring counties are presented for your consideration, through which it appears that in every instance there has been a considerable saving of tax burden to the people. The total burden of tax imposition throughout the State has been and still is being gradually reduced. In the midst of great distress, confronted by temptations to disastrous and destructive policies, and urged by hysterical thinking to sacrifice things saved through the years and regarded as sacred, North Carolina is fighting its way through the depression and has become, not only in the opinion of its citizens but in the eyes of the world, solvent, saving, sane, and sanguine.

## SOUND FINANCING OF EDUCATIONAL FUTURE OF NORTH CAROLINA

ADDRESS<sup>1</sup> DELIVERED BEFORE THE ANNUAL KAPPA DELTA PI  
CELEBRATION AT DUKE UNIVERSITY

DURHAM

April 3, 1934

*We must see to it that the future financing of education is on a sound, broad basis, and that it is founded and supported in such a way that an adequate revenue will be available and recurring depression shall not permit its destruction.*

We are apt to think of our educational status, as well as our status in any other activity, from the standpoint of finances or spending; and, while I do not mean to minimize the importance of the financial aspect, I do mean to urge that the financial situation is not the only thing which should be considered.

We are at present suffering in the educational activity in North Carolina for lack of proper financing. No one realizes more than I, no one has more sympathy than I do with the suggestion that unless we do provide an opportunity for those who give their lives and efforts and mind and heart, and souls almost, to the educational activity in North Carolina, an opportunity to earn something that is commensurate with the importance of the task they are performing and the sort of equipment they put into that task, it will be a sad, sad day for education in North Carolina.

So far as I am concerned, I shall dedicate an earnest effort not only to seeing that that wrong is corrected, but that it is corrected as soon as possible.

Sixty-four cents out of every income tax dollar, and each dollar that goes into the State treasury except those that are the result of gasoline levies and automobile licenses, are spent toward education.

The first thing that must be considered is to see that the educational effort of the future in our State is soundly financed. In my judgment the primary reason for the deficiency in our educational system today is the fact that public school effort through-

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<sup>1</sup>This address was taken from the April, 1934, issue of the *Alumni Register* of Duke University. Governor Ehringhaus was guest of honor at a dinner given by the national educational honor society. The dinner was attended by representatives from various university departments, and by city school officials, and teachers. The exercises were held during the morning and were devoted to Kappa Delta Pi Sorority activities.

out the United States has been built upon a financial basis that is not sound.

It is built on the idea that it must be supported by a property tax, or ad valorem tax; and when the value of real estate goes down and down and down, we read of the default of counties and municipalities in their educational programs; then we begin to read the stories of closing schoolhouses and of little children deprived of the opportunity to learn.

The one million children in the United States that the department of education in Washington tells us are outside of school and yet of school age have to thank for that condition their fathers who have built their educational opportunity upon an unsound financial basis. They had staked it on the dependability of ad valorem taxation, and when ad valorem taxation fell then we saw the schools close.

I am not advocating any particular tax; I am speaking of education and its support by public taxation. It is essential that we see to it that it is founded upon a broad and sound financial basis.

This means that it must be founded in such a way and supported in such a way that an occasional collapse or an occasional depression or failure of certain kinds of revenue to yield the amount that we had expected it to yield shall not be permitted to destroy the educational opportunity.

For a long time the best educational thought in North Carolina has set its heart and hope upon two things.

First, a recognition of the fact that the education of the child is a state function, and secondly, that this duty rests upon the State just as much with regard to the child in the outlying country district as in the large city.

Let me say again that I am not defending or advocating any particular kind of tax, but that I do think it is the duty of all who are interested in education in North Carolina to insist that before one tax basis is taken out from the support of the schools another be provided, and that the schools be thus soundly financed.

We have got to do more than just see that enough money is provided to give a fair opportunity. The educational program must be not only soundly financed, but it must be soundly conceived.

Our educational plan is challenged by the suffering and poverty which we see about us. We must see to it that the educa-

tional program is so enterprised as to contribute in the largest possible measure to the elimination of that poverty which has afflicted us and still afflicts us.

## NORTH CAROLINA'S FINANCIAL PROGRESS

ADDRESS<sup>1</sup> DELIVERED AT THE EIGHTY-FIRST ANNUAL CONVENTION  
OF THE MEDICAL SOCIETY OF NORTH CAROLINA  
HELD AT THE CAROLINA HOTEL

PINEHURST

MAY 1, 1934

*Dr. Manning,<sup>2</sup> Mrs. Huston, my good friends, ladies and gentlemen of the medical profession, its auxiliary and friends:*

I confess that I have found so much of delight and entertainment in the time which I have been privileged to sit with you that I rise with a real regret and relinquish the attitude of a listener, a delighted participant in this delightful evening and assume the responsibility of one who comes to speak and presumably to give you something of entertainment.

I am quite certain that I cannot measure up to the high call of the moment. I will not, however, permit certain challenges which have been flaunted in my face to go unnoticed. *Laughter.*

I recall quite vividly something which happened a good many years ago in a courthouse where I have spent most of my active life. I remember a certain lawyer who was more noted for his wit than for his learning; he was trying a law suit on a certain

<sup>1</sup>This address was delivered extemporaneously, and the copy printed here is a stenographer's report.

<sup>2</sup>Governor Ehringhaus was introduced by Dr. Charles M. Manning whose remarks were as follows: "On behalf of the Medical Society of the state of North Carolina I wish to thank Doctor Leland for coming to us and giving us this instructive talk on trends in medical practice in this country.

"I have very great pleasure now in introducing first, the doctors of North Carolina and their wives to the governor of North Carolina. I want to say to him that there is no group of more loyal citizens, that there is no group better trained for the work that they have undertaken to do, and that there is no work more unselfishly and more efficiently done than the work the medical profession of North Carolina has undertaken to do.

"It is my privilege to offer to him the services of the doctors of North Carolina, either as citizens or as physicians.

"If any of you have never been in the northeastern section of North Carolina, may I suggest that on some weekend you drive via Bertie County, Windsor in Bertie County, Edenton, Elizabeth City, Kitty Hawk to Manteo. You will pass over some of the most beautiful streams and forests to be found anywhere in this country. In this section are the records of the earliest historic events of the nation and from it come thrilling stories of the sea which will revive the boy in any man; stories of adventuresome Raleigh colonies, of the famous 'Blackbeard' alias Edward Teach, the pirate, of the tragic disappearance of the brilliant and beautiful Theodosia Burr, of the pioneer builders of a nation and a state, and of Doctor Edward Warren eminently a brilliant physician of international reputation.

"From this favored section comes Governor Ehringhaus (*applause*) inheriting the mantle of Governor Iredell, the traditions and social charm of its people."



occasion. In the course of introduction of evidence by his adversary, he arose in great haste and launched into the face of the court a vehement objection. Well, nobody who had the slightest acquaintance with the laws of evidence knew what possible basis of objection could be urged. So the spectators, lawyers, and laymen were not surprised when his adversary turned to him and said "Well, I'd like to know on what grounds you object," and immediately there came back this response: "Yes, I reckon you would." *Laughter.*

When I heard my good friend at the outset of his most learned and entertaining dissertation voice the desire to see more of North Carolina women *laughter* I felt like saying "Yes, I reckon you would." *Laughter and applause.*

Then you know he gave me another challenge. He brought down to me for my consideration the suggestion of a new anecdote concerning something which tradition suggests a one-time governor of North Carolina said to a governor from South Carolina. *Laughter.*

He asked me to shed some light upon that incident. I could tell you, if time permitted, what is suggested as the authentic story of that episode, and I will whisper it in his ear sometime. However, I will content myself for the moment by saying that if he has been in attendance upon this convention for two days *laughter* and hasn't yet gotten the lowdown on what the governor of North Carolina and many of its citizens say sometimes to the governor of South Carolina or his constituency, then God knows he is helpless, hopeless. *Laughter and applause.* Helpless, and hopeless as well. *Laughter.*

I confess that among other things which I heard with delight was the news that he gave us that the doctors or some prominent doctor in California was going to give to the Nation some new and worth-while health legislation. That intrigued me. I must say, however, in passing, that if such should prove to be true and his prophecy should assume the proportions of realization, so far as I am concerned, I cannot but regard it as another manifestation of the law of compensation, for I seem to think myself not alone in entertaining the idea that in view of what one of California's great engineers did to the country *laughter* some other member of some other profession ought to do something to make up for it. *Laughter and applause.*

I assure him in the name of each and every one who is present tonight of a real enjoyment of the message which he brought,

speaking in all seriousness. It was a thoughtful and a thought-provoking discussion which you were privileged to hear of a subject which I know is of real interest to you. Recalling the delightful, the informative and the wonderful account of stewardship which was given by his predecessor, the charming and gracious lady on the program, I know that your cup of enjoyment is running over and it is a blooming shame for a mere political dabbler or office-holder to break in on the evening. *Laughter.*

You asked me to come here and so you must suffer the punishment of listening to me for a while. I promise you that I shall not detain you too long, I hope.

I think, particularly in view of what your splendid presiding officer has said to you and said to me by way of introduction—one who by the way carries in the charm and grace and force of his intellect and personality all of the great inheritance that goes with the name which he bears *appaluse* I can presume to accept at its face value his suggestion: that you are interested citizens in the affairs of your State and that you would like to hear from the lips of one who is charged with its chief responsibility at this moment, something of an account of his stewardship.

My mind, as yours, goes back to the first of January, nineteen thirty-three, when—if I may use such a phrase—I came into the kingdom. I found myself like Esther of old, wondering at that time why, O Lord, I was born and came into the kingdom for such a time as this. *Laughter.*

The first thing that confronted me was a very definite and positive realization that the good old state of North Carolina was sick, was desperately ill, if you please, financially. She needed the services of not one but many capable physicians. I found when I took my first look at the books that instead of a plethoric treasury, instead of bank accounts full of money and balances such as had greeted my predecessors, I was verily facing a second reconstruction period with the responsibility of commanding—and all militarists know it is the most difficult of all tasks—not a vigorous, a cheerful, and a triumphant and advancing army, but a shaken, a shattered, a saddened, and a retreating host. I found that we had actually accumulated a deficit or overdraft.

That is language all of us understand. *Laughter.* An overdraft of some fifteen millions of dollars; and we were running behind at the rate of seven and a half million dollars a year. My mind

immediately recalled, my good doctor friends from my home town of Elizabeth City, something that happened in the old home town a good many years ago.

Among our citizenship there is a fine homely philosopher blacksmith, good old Miles Jennings, who has a way of saying the finest and keenest sort of things on the strangest occasions, on any occasion. The news came one morning that the Old Citizens' Bank, then operating separately, had been visited the night before by a burglar. Somebody, knowing that Miles was a customer of the bank rushed to him and said "Miles, have you heard the news? A burglar got in the Citizens' Bank last night." And Miles just slapped his hands together and said, "I hope to God they stole my overdraft." *Laughter.*

I found myself wishing with the earnestness that his speech betokened that somebody in some way could break into the books of the state of North Carolina and steal that fifteen million dollar overdraft. *Laughter.* But it couldn't be done.

I found that overdraft covered by what all of us know as short term notes which have the strangest and most persistent way of coming due *laughter* at awkward moments as anything in the world that was ever designed to create it. I found those notes drawing six per cent interest, the highest rate permissible under the law. I found the bankers in New York who held those notes, not merely suggesting but openly declaring that they were unwilling to renew them when next they came due: that, unfortunately for us, North Carolina was a creditor who was expected to pay, and was not permitted to renew.

I found one-half of our counties and approximately one-half of our municipalities in default. Our school system, too, was shaking, tottering—about to collapse, all because the burden of taxation upon real estate had accumulated to such a pitch that it was impossible longer for that form of property to pay; and the cry of the auctioneers through the State selling real estate could be and was being heard on every hand.

Little children with the light of intelligence in their eyes and the flame of hope in their hearts were looking squarely into the face of a danger; the opportunity for development of their intellects was being threatened and the door of the school, which was their hope and their promise, was being closed in their faces here, as was the case and as was constantly taking place all over this country of ours.

I found the bonds of the state of North Carolina, evidence of its pledged and plighted word for the faithful payment of which in solemn conclave its legislative assemblies had expressly pledged the full faith, credit, and taxing power of the State—though they had never before defaulted, though every maturity of interest, of principal had been met—I found them difficult to sell in the markets of the world, in the bond markets of the country. Though they constituted the financial backlog of many of our banking institutions, those that remained after the days of “Hoover Prosperity,” and though they constituted the financial backlog of many of our outstanding activities, business activities, and institutions, instead of selling right at par which they should bring and which was their rightful badge of distinction and financial solvency—they were being hawked about at all sorts of prices, sometimes as low as sixty-five cents on the dollar.

I found the banking structure of the Nation shaking until that fateful day on March the fifth when the great President of a great Nation felt impelled to issue a proclamation that closed the door of every bank in the country. By way of interjection I am proud to say that North Carolina of the forty-eight states was the last state in which the banks closed their doors. *Applause.*

That was the situation. It was no happy situation.

Now the legislature in session wrestled with the problem, wrestled with it as patriotic and earnest and thoughtful men only can wrestle—wrestled with it as old Jacob wrestled with the Angel and would not admit defeat. Yet after sixty days, still the situation was tense and difficult and strained and impossible to forecast. No remedy or solution had been found and all men's hearts were heavy.

The banks in the country were closed and disaster faced all of us. Then came the final days of the session. Your chief executive, charged with the high duty and responsibility and recognizing that something had to be done drastically in order to bring order out of the threatened chaos, proceeded upon the task which had been begun the first of January.

A sick patient, you say, a very sick patient. What did the doctor prescribe? First of all, we insisted and the legislature, obedient to that suggestion, enacted laws which cut down substantially on the patient's diet. Though our spending had been reduced by some 33½ per cent in the previous biennium, we ad-



ministered even more heroic remedies and cut the spending down another  $33\frac{1}{3}$  per cent practically, to be exact 32.13 per cent. Then, as all men who are informed on the question know, we found that we had cut to the bone and even beyond the bone, that the lifeblood of several of the state's activities was actually being shed. I stand here with no apologies tonight for saying then as I repeat now: that there is a point even in economy beyond which no self-respecting state with a sense of obligation to fulfill its high functions can ever go. *Applause.*

We tried to avoid the imposition of any new taxes and found it impossible. The lifeblood of the State in the form of its revenue was drying up. A patient was suffering with an ever-increasing and almost pernicious anemia! Every sort of tax revenue was yielding increasingly less into the treasury. Even the hitherto ever dependable gasoline revenue was shrinking at the rate of two hundred and fifty thousand dollars a month.

Having cut expenditures to the bone we then increased corporation franchise taxes 25 per cent and corporation income taxes to the limit of 6 per cent which the Constitution allows—until it is amended, and unless it is amended—and still we found by every sort of reasonable calculation and computation that we faced a continuing deficit and a failure of revenues to equal expenditures.

So the step was taken with the school situation growing increasingly more threatening and the leaders of education throughout the State saying "Chaos is just ahead, not only in the rural sections but even in the cities who can't stand their present tax burden and something must be done." We finally yielded to the inevitable. After trying to find any form of tax that would eliminate the danger and provide the necessities we finally went to the much "cussed" and discussed sales tax, *applause*, and whatever may be said in criticism, whatever may be said by way of suggestion against it, this much at least must be said: that in acceptance of that tax at that moment we have done certain things which a state in honor is bound to do; we have preserved the credit of the State and we have saved the schools of North Carolina for the little children. *Applause.*

I shall not discuss matters of consistency. I can make a fair answer to the charge of inconsistency. I recall the language of an eminent North Carolina statesman who said about that time and said truly with reference to the general or national situation: "This is no time to talk about consistencies. It is time for

men to do the honest and the necessary thing regardless of whether it is consistent or not." *Applause*. And that is sound statesmanship.

You want to know what is the result. I tell you, not claiming credit for myself, gladly sharing it with those brave and courageous men in the legislature who responded to the needs and challenges of those dark moments, I tell you with a tinge of pride and I am sure you will agree with me that it is justified—the state of North Carolina which was constantly spending more than it was taking in is today living within its income. *Applause*. The notes which then were being insistently called—our short-term notes—are today held in large part in our own sound banking institutions in North Carolina and are renewable at will. *Applause*.

The interest rate, which then was 6 per cent, the highest known to the law, is today cut  $33\frac{1}{3}$  per cent and North Carolina is borrowing money at 4 per cent, a saving of over a quarter of a million dollars each year and in the term of my office will amount to a million dollars in interest saved, roughly speaking.

Departments were consolidated, and I could point out if I had the time the detailed savings which have been accomplished, to the extent of some five hundred thousand dollars, three to five hundred thousand dollars a year. The exact figures will not be known until the end of the biennium.

North Carolina's bonds which then were selling sometimes as low as sixty-five cents on the dollar and threatening the financial solvency of some of her banks and institutions are today worth par and they are good for a hundred cents of the dollar of any man's money. *Applause*.

Though one million little children saw the schoolhouse door closed in their faces throughout this Nation last year, not one of those children lives in North Carolina. *Applause*.

North Carolina is the only state in the Union or was the first—there is now one other which has followed our lead—was the first state in the Union to guarantee through legislative act under executive suggestion, not simply to boys in the favored and populous cities but to the boys and girls in the rural and back sections of North Carolina—to every boy and girl in North Carolina—the full term of eight months school. We were the first state to guarantee that. *Applause*.

You want to know what has happened to the schools in other states? Read the records in those states. I could tell you more of

that, but it is unnecessary. Today North Carolina is solvent, is saving, is sane, and is sanguine and we are pushing forward to a better and a brighter day. We know that we are not making the amplitude of provision for those who patriotically labor in the schoolroom for the enlightenment of little children. We would like to see those salaries, particularly, increased. *Applause.* Yes, I am for it and I have said it repeatedly. We as a matter of actuality would like to see some of the other pittances that are paid in North Carolina for its workers increased. But let me tell you, while our provision is not as adequate as it should be, what the State promises, she pays, and she has paid it in cash and that is more than some of the other states are doing. In some states they are paying even teachers in warrants, thirty dollars a month. They have to discount those warrants 25 per cent in order to get the cash. Some of them haven't had a pay day for twelve months.

So at least that much can be said for North Carolina.

May I, just in this brief word, cover something of the proportions of our spending? The road of economy has been traveled by our State more persistently and consistently—so the best informed banking circles tell me—than any state in the Union. There is not a governmental unit on the American Continent that can exceed our record of economy. To those who sometimes suggest that if you cut out some of the unnecessary bureaus in Raleigh you could save money let me tell you this which is easily susceptible of proof: that North Carolina's governmental operating expense is one of the three lowest—if not the lowest—per capita cost of any state in the American Union. *Applause.* Let me tell you another thing: that the total cost of operating all the so-called bureaus and offices in Raleigh is comparatively speaking an insignificant amount in the sum total, amounting now only to a trifle over one million dollars; whereas at one time it approximated five millions of dollars.

I want you to know what I mean when I say bureaus. It may surprise you to know that you can shut down, can close up, can stop the functioning of every office in the city of Raleigh, including the governor's office, the secretary of state's, the treasurer's, the auditor's, attorney general's, including the health department which is rendering such splendid service in North Carolina and to whose head, my friend, Doctor Parrott, in his illness I pay a tribute of affection and high regard and esteem *applause*—God send him soon a safe and sure deliverance from his present illness—it might interest you to know that of that one mil-

lion dollars, Doctor Manning, twenty-five cents out of every dollar goes to public health. That is a fair proportion of bureau expenditure. I don't mean it is all we ought to spend or want to spend, but you doctors will be interested to know that 25 per cent of all the bureau costs in Raleigh is spent in the department of public health.

It will interest you to know that out of the income, sales, franchise, and non-revenue taxes that pour into the treasury, out of all income, all taxes (save only the gasoline tax—out of all the other taxes—of course, the gasoline tax is allocated to the roads, their conservation and upkeep) sixty-four cents out of every dollar goes to schools, four cents out of every dollar goes to our higher institutions of learning, four cents out of every dollar goes to our charitable and correctional institutions—the school for the insane, deaf, dumb, and blind, the Stonewall Jackson and similar activities. About two cents goes for the payment of Confederate pensions and the keeping up of the courts in North Carolina.

There is the bulk of our spending and about seventeen cents, as I recall it, I am not sure of that figure, goes towards the payment of our bonds, principal, and interest, which represents past expenditures.

Sometimes someone says "Why provide for the payment of bonds? Why not renew them?" You can't renew them. You would have to default. I don't know what attitude others take. I want no mistake about my own attitude and position on that question, however. I said just now that in the act authorizing every one of those bonds was some such provision as this: "For the faithful payment of the obligations herein authorized, the full faith, credit, and taxing power of the State is hereby pledged."

I know not what course others may take but I consider that when my State has pledged its full faith and credit it has pledged its honor and so help me God—as long as I am governor I am going to do my best to pay our honest debts. *Applause.*

You would have no respect for a man who refused to pay his debts or do the utmost of possibility towards their liquidation. Nobody would have any respect for a state that took any such attitude as that.

I have told you something of the proportions of our spending and so I have finished.



I could tell you a longer and more detailed story but the hour is late. You have heard me most patiently. I am grateful for the chance to speak to you, to talk to you face to face, to talk to you in honesty and in candor with reference to the situation. The man who promises that he is going to repeal this, that or the other tax and raise teachers' and other salaries, and doesn't tell you how he is going to do it is fooling you—make no mistake about that. It can't be done. All I want of the citizenship of North Carolina is to acquaint itself with the facts. When the facts are known I have no fear of the judgment to be rendered. All I ask without regard to personalities—you men who contact every form and every phase of life in the State — exercise your influence to send to the legislature men who will continue to insist without binding themselves down by pledges to do the impossible—will continue to insist that the honor of our State be preserved; that the chance for our little children be taken care of and that the functions of a government which are necessary in self-respect be preserved.

I have many, many faults. I have made many, many mistakes. I shall continue to make them. I console myself with the thought that they are putting rubbers on pencils and the only folks who make no mistakes are dead. *Laughter.* But there is this one thing of which you may assure yourselves: If you wish to enlist the aid of the chief executive of North Carolina, if you wish to catch his ear, if you wish to awaken some response in his heart, do one of two things: send him a call to help the man who is laboring on the farm or the cause of a little child and you will always get a response.

Thank you!

*The members arose and applauded.*

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## PATRIOTISM AND THE FLAG

ADDRESS DELIVERED AT THE MEMORIAL DAY EXERCISES

ELIZABETH CITY

MAY 10, 1934

I have found a great many things in the past in which I could take pride in speaking of, in my home town, my home territory, and my home folks, but I have seen another thing here today

which I feel like commenting upon because it evidences another superiority due my home territory.

All of us know that Judge Gaston's celebrated song, "Carolina, Carolina, Heaven's blessings attend her," is the generally recognized state song of North Carolina—our State—and all of us would quite naturally expect the governor of the State, as he goes about, to find himself confronted with that song on practically every occasion. And so it has been with me. But the strange thing to me is that almost everywhere I have gone, and almost everywhere I have heard the song sung or started it has been rather remarkable to note how few people can get through one verse, without the words in front of them, much less two. And I am happy to note another "First for the Albemarle" as I come here today—to hear a great song by my home folks, not only sung, but sung well and sung without notes and correctly every word of two verses of the "Old North State." I am proud of you.

Now, that is not mere triviality. That is intended as a real compliment because to me it is an evidence of something which is quite properly the subject matter of today's thinking and consideration. It evidences patriotism. It is one of the outward and visible signs, if you please, of a patriotic inclination. One of those things which, of course, are not realities, for patriotism, like grief, is not one of those things which merely seem, but is.

Even if you are not inclined to listen to a speech, as I know you are not, and even if I am not inclined, when afforded an opportunity to meet with you home folks, toward making a speech, and I assure you I am not, we could not get together under these auspices, and could not sit and stand together on an occasion like this without something of patriotic reflection to honor the day and the occasion.

And I am proud of the day which today we celebrate, as I know you are. My heart swells with rapture and pride as does yours at the mention of the Old North State's name, and at the recollection of the glorious and valiant deeds of those whose sons we are and whom, both living and dead, we honor ourselves in honoring.

It is a happy thing for me, as it is for you, to recognize somewhat grayer and somewhat slimmer, and somewhat more aged, if you please, the form of him who represents solely the cause of the Confederacy and the valor of the accomplishments of the Confederacy on this platform today. I know, as you do, that whatsoever increased gray hairs there may be, and whatsoever

extra stoop there may be to his shoulders, that heart of his is just as sound and just as true and loyal and willing to meet the call of his country today as any who bled and died for North Carolina in the days from '61 to '65. My dear friend, Captain B. F. Spence, I honor you, as I know this crowd honors you, in your presence here today.

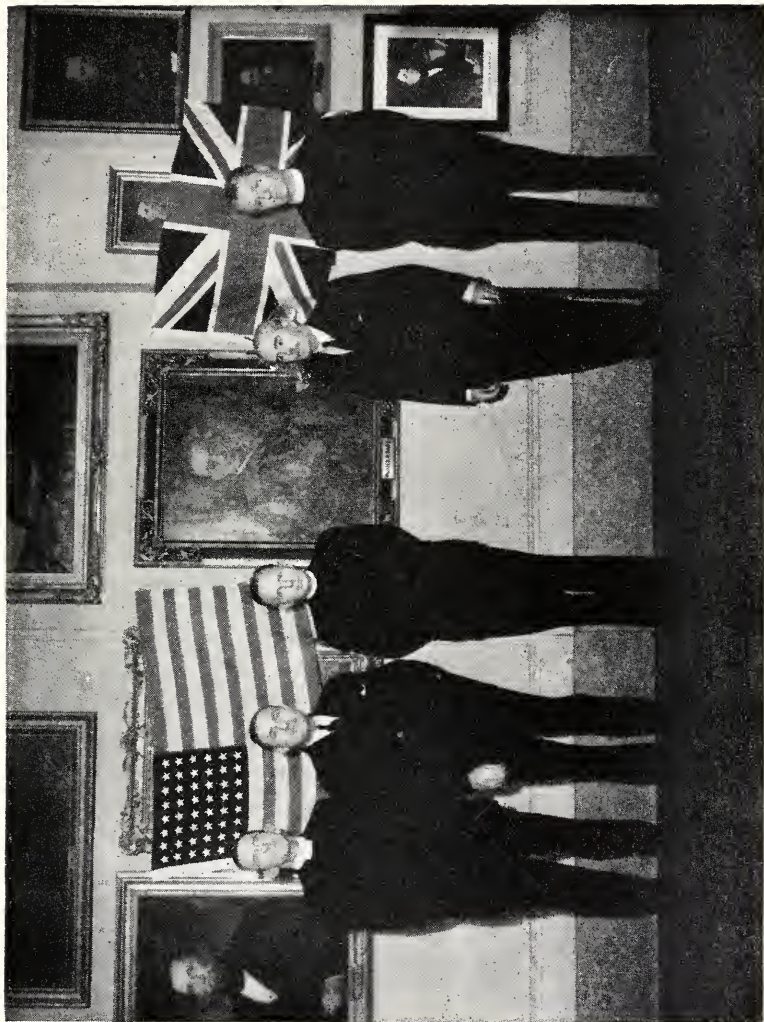
And we like to show honor, not only to him who still lives and gives you the experience of his presence and his friendly hand-clasp. We like to think of those who have fallen sleeping in years gone by or in the recent past, and we like to think of them and honor them and glorify them, whose valor is commemorated in the monument about which this group of young men and young women of North Carolina—future citizens of our State are grouped today.

There is no record in all history which in valor, which in real sacrifice, which in patriotic outpouring of soul and body and substance can excel the record of the Confederate host of other days. There is no chapter in the military history of the world that is more glorious in its exemplification of competency of those in high places, or of the valor and willingness to give the utmost of those in the lower ranks of the Confederate Army. Theirs was an achievement in which their sons and daughters, as well as all who knew them and honor them, can justly take pride, and which, of course, tunes our minds to and inclines us to think of what is the meaning of patriotism, about which, it seems to me, there is much confusion.

For patriotism is not a thing just of the past but of the present also. It is not a thing of yesterday, but of today as well, and it looks towards tomorrow. It is not a thing which concerns only our ancestors, but it is something that very definitely and very positively and very greatly concerns ourselves in our activities today and in our looking toward tomorrow. The man who lives only in the past, thinks only in the past, gives his loyalty only to the past, and also offers his energies and his devotion only to the past, is indeed a dead, dead soul.

And, think not that patriotism is a thing which is necessary to be called upon only in times of war. Peace has its demands, and makes its demands upon those who love their country just as acutely as does war. Great as is the glory of the Confederate soldier and his war record, I know I speak accurately when I say that the greatest of the imperishable glories which he has gathered for himself is not in this activity and action on the battle-





Honoring Walter Hines Page, American Ambassador to the Court of St. James's, 1913-1919, Palm leaves were placed on his portrait in the Hall of History in Raleigh, May 30, 1935. *Left to right:* The Rt. Rev. Thomas C. Darst, Bishop of the Diocese of East Carolina; Governor Ehringhaus; The Rt. Rev. Edwin A. Penick, Bishop of the Diocese of North Carolina; Sir Edward Midwinter, Director of Archives, and Canon Stacy Waddy, Secretary, of the Society for the Propagation of the Gospel, which maintained missionaries in the colony of North Carolina, 1702-1776. (Portrait of Page copied from the original which was painted by Philip A. Lazlo for the American Embassy at London.)





field, but in the splendid, commendable, wonderful struggle and victory which were his afterwards in days of peace.

In the exhilaration and excitement of conflict men excel their wildest dreams of valor. But it takes real courage to show valor in the stillness and the uneventfulness of peace, when there are none to shout and honor and acclaim. Those who came back from the battlefields of the South faced a problem—yea, an even more exacting war in its demands on their courage and manhood than the ordeals of battle. Weary and broken by the burdens of war, they came home to scenes of desolation. They returned to dismantled homes and abandoned firesides. Robbed of their property and deprived of the very rights of citizenship, they faced difficulties the like of which no people, not even stricken Belgium, ever faced. They had no sympathetic hand outstretched to them. There was none to aid them in their rehabilitation problem. But broken, tired, and worn as they were, perhaps never an army so broken in all history, they were undaunted, and undaunted they fought their way to recovery until their children saw North Carolina take her place among the greatest states in the American Union.

Now the Old North State that saw its commonwealth and citizenship shattered, after the days of '61 and '65, in this day and in this good year, has the honor and distinction of paying more into the Federal treasury for the support of the United States government than any other state in the Nation, save only New York.

By the way, it is an interesting reflection, if you will permit the reflection right there, that while New York gets back from the Federal government fifty cents out of each dollar paid into its treasury, North Carolina gets back less than ten cents so that the net per capita contribution is infinitely greater on the part of North Carolina than any state in the Union. Of course, we are proud of that and I am referring to these material things on a day like this only to point out the fruits of the patriotism of those whose blood flows in our veins.

And let me tell you that I am not exaggerating when I say that in North Carolina today, for the last fifteen or more months, we have faced difficulties and stress and strain which is comparable only to the terrible reconstruction period after the war, and which has caused many to say that we are passing to-day through a second period of reconstruction. Whatsoever merit there may be in the accomplishments of the last fifteen

months is due not to any man, no matter how highly placed he may be, but due primarily to the loyalty and patriotism of the greatest people of the greatest state of the American commonwealth in my judgment.

I want you to know something about your State. I want you to inform yourself about your State. I know there are those who tell you silly tales with reference to how much of a hardship is unnecessarily inflicted upon you, those who whisper into your ears stories that you are borne down by burdens to keep up the state government that renders you too little service. All the state government asks of you is to look into the record for yourself. Look into the record and see for yourself what service your State is trying to do for you. When they tell you, for instance, that the cost of government bureaus in Raleigh is adding up so much to the funds raised by public taxation, that teachers and others get smaller salaries than you and I know they ought to have, and that I am going to do my best to improve—when they tell you about those expenses of government in Raleigh I ask you to look at the facts, and you will find that out of every tax dollar that goes into the state treasury less than four cents is used for governmental expense, representing a reduction in the last fifteen months of practically  $33\frac{1}{3}$  per cent, to be exact 32.13 per cent.

When they tell you we are niggardly in our expenditures to this or that object, let me tell you that of the \$1,000,000 required to run your state government twenty-five cents out of each dollar goes for public health service, and enough to make practically fifty cents out of each dollar to activities such as those to aid in the vocational schools and other government aid objects in which the women of North Carolina are interested.

May I repeat this: Sixty-four cents out of each dollar raised in general taxation goes to support public schools; seventeen cents goes to keep up the public debt; the highways pay for themselves; four cents goes to keep the government operating, including everything; four cents for higher institutions of learning; four cents for places like the institutions for the deaf, the dumb, the blind, the insane, and the feeble minded.

Now, I don't care to dwell upon that. I am going to stop because we have no desire to tire you. I just want to appeal to those who hear me and who sometimes hear complaints and suggestions of complaint with reference to taxes. I want you to stop and think of the difference in conditions in North Carolina and

elsewhere. I want you to know where your tax dollars are going. As I said just now—sixty-four out of each one hundred cents from income, inheritance, sales tax, and government revenue dollar goes for the support of the schools; and when they tell you to cut out this sales tax and you can get along without it just remember that it constitutes 25 per cent of the total revenue capacity of the general fund, and if you cut out 25 per cent of your revenue it means a 25 per cent curtailment in activities. Do you want to try to run your schools on \$12,000,000 a year where you now get \$16,000,000?

I have only two things that are next to my heart in my service for the state of North Carolina, particularly. One of them is the welfare of the men who toil whether on the farm or in the factories. The other one is the welfare of the little children of North Carolina and I make no apology for my devotion to either ideal.

So long as I occupy the governor's mansion, if you want to get the ear of the governor of North Carolina bring to him either the cry of distress from the farmer or the factory operative, or the cry of a little child, and you will always get an answer from him.

I know you have come here today not simply to honor an occasion, but to pay something of a tribute to the office, not to me, which I personally hold. I thank you for it. I accept also the spontaneous expressions of friendship and the sentiments of affection that have today been breathed and uttered toward me in this my home. Whatever or wherever my duties may call me, and whatever they may exact of me, there is not and there can never be any place which is quite so precious to me as this old home town of mine and this Albemarle territory in which we live. I yearn for it. I wish so often, more often than you can possibly imagine, that I may have the chance to leave the difficulties that surround me and come down here and sit around with you and talk with you and get the benefit of expression from your friendship, and of contact with you in real understanding.

But such is not permitted. These are hard times for the State—as for you—hard times in peace as well as in war challenge us. There is but one thing we can do whether it is peace or war, and that is to respond to the utmost in answer to the call which love of country and state brings to us.

I am glad on this day to recognize anew a debt that the Nation and the State owe to the men in gray. I want to respect, as



you do, the flag that has but a single star, and the glorious strains of the Southland song—Dixie. Those who in the past have dug into the secrets of science have given to us in this present time a chance to pick out of the air beautiful harmonies of sound which have always been here but which but for a radio to bring them to our present day hearing we should never have realized. So we have discovered the truth that this universe of ours is full of wonderful melodies if we can just attune our ears to hear them.

I am one of those to challenge the time that some day an inventive mind will give us an instrument, an invention, that will enable us to see the beautiful harmonies of color that surround us, perhaps in this world, just as we are surrounded with harmonies of sound. And when that day comes I think I shall be able, looking at the Stars and Stripes, which signifies and symbolizes today to us a united country—I think we of the South would be able, in actuality, to see as we do now an ideal, the blending of the Stars and Bars with the Stars and Stripes, both one in their symbol—love of country. So even on Confederate Memorial Day I make no apology, as you do not, for acknowledging allegiance to the Flag of a united country—the Stars and Stripes, which we pray and sing may longer wave over the land of the free and the home of the brave.

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## BUDGET BALANCING AND PROPERTY TAXATION

ADDRESS DELIVERED OVER RADIO STATION WBIG

GREENSBORO

MAY, 29, 1934

I have been asked to speak to you for a few minutes on the subject of budget balancing and property taxation. Some of those who criticize the revenue bill adopted by the last General Assembly because of its adoption of a sales tax in relief of land and to finance the essential activities of the State, go to rather remarkable extremes in their efforts to minimize its results. They tell us it did not save the desperately ailing credit of the State which has now been restored and by reason of which state bonds formerly begging bidders at 70 cents on the dollar or less, are selling today—all issues—at par or better. They tell

us it did not save the schools of North Carolina which, while admittedly receiving less of financial support than either they desire or deserve, have nevertheless been kept open for fully eight months, though a million children in America have faced closed schoolhouse doors and at least some schools in every other state save two have been shut down. Nobody claims, or has claimed, that the sales tax has been the sole support of the schools. They get sixty-four cents of each sales tax dollar and a like amount of every income, franchise, and other dollars going into the general fund. But the six millions of sales tax receipts which will have been collected at the end of this fiscal year represents 25 per cent roughly of the year's total general fund revenue and without it all operations, including the schools, would have but 75 per cent appropriation available. So picture for yourselves the effect of an additional 25 per cent out of our school appropriations—it would leave just the twelve million that some determined and unconvertable anti-sales taxers suggested for schools in the last General Assembly.

But recently we have heard the strangest of all criticisms—the rather vigorous denial that there is any truth in the claim that property had been relieved.

When we recall that just a few years ago probably 75 per cent of all county levies were for roads and schools and that the schools also constituted a high percentage of city levies, whereas now the entire support of both—save only such supplementation for schools as the units may vote on themselves—rests upon the State, the absurdity of such a suggestion is manifest. If this load has been lifted from land, manifestly *ad valorem* has been reduced. Likewise too the claim that the tax burden has not been lessened must fail, since if total state spendings are less by over thirty per cent (32.13 to be exact) and income, franchise and license taxes are higher, there has been just that much of relief given property in general and land in particular.

Let us take a look at some figures partly of state and partly of local interest:

Assessed values of property in 1930 were . . . . .	\$2,974,464,450
Assessed values of property in 1933 were . . . . .	2,089,209,188
A difference of about . . . . .	885,255,262

Assuming tax rates to have remained stationary, you will see that this revaluation alone would have worked a reduction of roughly 885 millions, or  $33\frac{1}{3}$  per cent. A further look at the

records shows that: while prior to last General Assembly (in 1932-33) the local governments carried 56.3 per cent of the total tax burden, in this year they carry but 43.8 per cent—a reduction of nearly 25 per cent in burden.

Again in dollars and cents, the local burden before the last General Assembly was \$46,408,327.00, the state burden \$35,996,884.00; since the last General Assembly the local burden is \$35,971,365.00, the state burden \$46,220,470.00, which means a decrease in local burden of approximately \$10,436,962.00. I may say in passing that the sum total of all taxes, state and local, in North Carolina is substantially lower since the last General Assembly than before.

Now let's look at the rates themselves, and when we do so a remarkable picture appears. When the State assumed the entire expense of eight months of schooling for North Carolina children everywhere in the commonwealth, it did more than equalize—so far as state provision is concerned—the opportunity between the city boy and girl and those reared in the country. It required this expense to be paid out of general fund revenues and it relieved throughout the State not only the fifteen cents state-wide levy then in operation which was pledged by both political parties, but it also relieved localities of all other ad valorem levies for operating purposes save only such as the units should vote on themselves by way of supplementation. Let's examine some of those and see at what rate a levy would be required to equal them.

In Guilford the total levies relieved amounted to—\$823,994. If you wish the detail of this figure here it is:

District levy current expense . . . . .	\$226,880
Special charter levy, current expense . . . . .	239,831
Fifteen cent levy . . . . .	332,320
Current expense, 6 months levy . . . . .	16,963
Total . . . . .	<u>\$823,994<sup>1</sup></u>

A part of the last named \$16,963 levy may still be retained to keep up buildings owned by the county, but this small figure makes no great difference in aggregate results.

If you translate this relief, \$823,994, into the tax rate in your present valuation in Guilford County necessary to produce it you would require an additional levy of fifty-five cents. And

<sup>1</sup>There is a difference of \$8,000.00 in the total used in this address and in the address delivered in Elizabeth City on June 15.

since your present rate is sixty-four cents this means that to raise the same amount of money out of property your rate would have to be raised to \$1.19—an increase of over 86 per cent. Here too you see that there is a leeway for a substantial supplement for schools in your county without even approximating such a rate, for a levy of only about twelve cents additional would be required to raise teachers' salaries to the old state level.

Again let's compare this ad valorem relief with your county's sales tax collection: Relief \$823,994; sales tax collections through yesterday, with only a little over a month to go, \$321,057.87. If these should be increased in this last month  $33\frac{1}{3}$  over the past ten you would contribute in sales tax only about \$428,000, so that deducting this from \$823,994 (\$395,994) you have a net relief of about \$400,000 of burden—approximately fifty per cent of burden lifted. If you doubt the suggestion that taxes have been lowered, look at your tax receipts. Any failure to realize in this reduction is due entirely to new local levies.

The story in your neighboring counties—indeed, throughout the State—is much the same. In Davidson the relief, \$140,135.00, would require additional levy of forty-four cents on their present valuation. Sales tax to date \$66,407.76. Saved to the county \$73,727.24 or over fifty per cent of burden in dollars and cents.

Relief	— Translated into tax rate —	Sales tax to date
In Durham:		
\$665,027.00		
164,722.73	Seventy-nine cents	\$164,722.73
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\$500,304.27	Net saving, allowing for a big last month of sales tax, nearly one-half million dollars or over eighty per cent.	
In Alamance:		
\$145,509.00		
101,043.36	Fifty-one cents	\$101,043.36
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\$ 44,466.64	Net saving or over 30 per cent.	



## In Forsyth:

\$688,165.00

231,814.12

Forty-six cents

\$231,814.12

\$456,350.88 of net saving or over 66% per cent.

## In Randolph:

\$ 77,356.00

38,796.87

Forty-five cents

\$ 38,796.87

\$ 38,559.13 (about 50 per cent relief).

## In Orange:

\$ 63,026.00

29,170.21

Forty-seven cents

\$ 29,170.21

\$ 34,855.79 (over 85 per cent).

And so I ask you, before you judge too hastily or listen to siren suggestions as to this tax being taken off and salaries raised, to look into the facts. Neither you nor the State can spend more with less provided to spend. We are trying to help in the emergency. You can not expand our educational or other proper activities if you fail to build them on a sound fiscal basis. The schools throughout the Nation collapsed because ad valorem collapsed. Before we strike out any tax let's see that something is put in its place. I hope by January we may see a big improvement, but to make promises at the present is dangerous. If present conditions continue, to strike out the sales tax means a loss of about 25 per cent of general fund revenue. This deficiency must be supplied from some other source to enable us just to hold our own on the present scant provision. But our schools must go forward and North Carolinians will see that this is done even if it involves an inconvenience and sacrifice. Can we not count upon the patriotism and the love of state by every class of our citizens to help? I promise you an economical administration. Our record for eighteen months justifies confidence in such a promise. Will you not hold up my hands and help me build the greatest of American commonwealths?

## SALUTATIONS TO NORTH CAROLINIANS

MESSAGE<sup>1</sup> IN A SERIES OF PROGRAMS DEDICATED  
TO THE VARIOUS STATES

SALT LAKE CITY, UTAH

MAY 31, 1934

The opportunity to extend greetings from the people of North Carolina to those of the Mountain states affords me a great deal of pleasure. These two sections of our country have much in common and they have many similar problems. Both look forward to great future developments.

May I commend the management of KDYL for its enterprise in putting on this series of programs dedicated to the various states? It is an exemplification of the progressiveness of your great West.

North Carolina is proud to have had a part in the settlement and development of the West. We have given, according to the United States census of 1930, 554,912 of our sons and daughters as citizens of other states. In other words, 554,912 persons born in North Carolina are now residing in other states. A total of 8,111 former Tar Heels reside in the eight states of Utah, Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, and Nevada, classified in the Mountain Division.

Doubtless a great many of these 8,111 former North Carolinians are within range of this broadcast. To these, in particular, I should like to send salutations from their native home on behalf of their friends and relatives.

We, North Carolinians, are proud of the record of our State. Time will not permit a recital of the progress of our commonwealth, but it is sufficient to point out that she is continuing the enviable pace of progress which is synonymous with the name of our State.

There are two recent records which I should like to mention briefly. Every North Carolinian has a just cause for pride in the fact that through recent years of financial retrenchments of local and state governments not one child in the State has been deprived of the privilege of continuing his education by the closing of a single public school. This enviable record was made possible though the precedent established by the state government

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<sup>1</sup>This message was prepared for and read over Radio Station KDYL, Salt Lake City, Utah.

in taking over the financial responsibility for the operation of a uniform eight-month term. The State provided \$16,000,000 by direct appropriation for this purpose for each year of the current biennium and to this amount was added some \$2,000,000 derived from fines and forfeitures which go to the school fund. North Carolina has no state property tax, and, therefore, not one penny for the uniform public school term of eight months has come from that source.

Another precedent was set by North Carolina in 1931, when the State took over the maintenance of all county roads. Under the direction of the State Highway and Public Works Commission, the cost of maintenance of the roads of the State has been cut from \$12,000,000 to \$7,000,000 without letting their condition suffer. The general opinion is that our roads are kept up better than ever before.

It is possible to talk of interesting features of North Carolina indefinitely but limitations preclude further remarks. I close with a cordial invitation to every person within hearing of this broadcast to come to North Carolina to behold her wonders through his own eyes.

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## NORTH CAROLINA IS A GREAT BUSINESS ENTERPRISE

ADDRESS DELIVERED BEFORE THE NORTH CAROLINA BUILDING  
AND LOAN LEAGUE

ELIZABETH CITY

JUNE 15, 1934

*Mr. Chairman, Judge Leigh, Ladies, and Gentlemen:*

I am grateful, of course, to my long-time and home-town friend for his charity in my presentation, and for whatever errors he has made in his appraisal I pray your forgiveness, for I know his heart runs away with him sometimes, and I am sure that the affection he has for me, and that I have for him, has contributed largely to his seeming exaggeration.

I hardly know whether I am here, or not. I left Raleigh this morning somewhat early after doing what is ordinarily a day's work, having understood from my secretary that the hour for my speaking was 12:00 o'clock, and thinking I was in ample

time. However, I am here. I ask your pardon for such delay as I have brought upon you, and assure you I shall not keep you too long.

My friends, knowing the character of your work, I didn't come today so much to make you a speech as to bring you something of facts and figures which as businessmen interested in your own activities and interested in the fiscal and general situation of the State, it occurs to me would be of interest to you here and now, because they tell a story somewhat of North Carolina's own situation.

I have more than once, in connection with speeches which I have made throughout the State, been pleased to refer to the state as "a business enterprise." I like to think of it that way, and, as a matter of actuality, it is perhaps the greatest business enterprise conducted within the geographical limits of the commonwealth. It seems to me it is a wholesome thing if we can bring ourselves to think of it as a business enterprise, because then we can realize something of the necessity for the sound treatment of its policies and for the preservation of a sound fiscal policy at all times, because, whatever we may think about it, when we get down to rock-bottom facts, all of us are bound to admit that a state, like an individual or any corporate enterprise, is primarily dependent upon the maintenance of a sound fiscal attitude for its credit; that it can proceed no faster than it has credit upon which to go—and that anything in the way of a financial sacrifice which that situation requires is absolutely essential to the preservation of its credit. Otherwise, the entire structure will fall. You cannot separate, in the affairs of the State, any particular governmental function or any particular activity, whether it be schools, highways, or anything else—you can't separate any one of those from the whole. So long as the State's finances are in good shape, those things can function. When that condition collapses, everything in the State collapses, and the citizens, of necessity, suffer.

I have made that preliminary statement for the purpose of bringing home to you an idea which is fundamental in connection with considering any of the State's problems—the idea of just where we stand. We cannot know where we are going, nor how we are going, unless we know where we are and how we got there. This is absolutely essential, in the consideration of any problem.

I think this league deals primarily with real estate and the



building of homes—with the giving of an opportunity for the development of that finest attribute and most fundamental thing in a worth-while citizenship, namely, home.

This enterprise, I think, is not simply a business enterprise, but is a social enterprise, as well, because when you study the beginnings of our citizenship you are impressed with the fact that we are primarily of English origin—or Nordic stock, if you please—a people who are characterized primarily by their love of home and of land—the ownership of soil, and, particularly, of a home. This is one of the distinct characteristics of the Americans of English or Nordic ancestry.

I have been, of course, interested deeply in the preservation of a sound fiscal policy in the State. The financial situation came to its most acute stage just about the time this administration began functioning in Raleigh, for you will remember that it was only a brief period after the legislature convened that the general situation throughout our land was such as to spread panic among the financial institutions and close every bank in the country.

Making more particular application to real estate, we know that more than fifty per cent of the municipal governments of North Carolina—including both counties and cities—were in default primarily because they depended for their revenue upon real estate as a source of yield and as a source of support; and real estate had collapsed, not only in value, as your institutions know, but had collapsed in its salability and it became, by reason of the excessive tax burden which real estate was bearing, and its practically destroyed earning capacity, a liability rather than an asset in the hands of its holders.

The building and loan associations are to be congratulated upon the fact that they early embarked upon the policy of not crowding their debtors to foreclosure, but of assisting them, as far as possible, in financing or re-financing and so spreading out their maturities as to ease their payments and give them time to work their way out, thus saving the debtor and giving the association an opportunity to collect its debt in reasonable fullness. And the early adoption of that policy is, I believe, largely responsible for the fact that the building and loan associations of North Carolina have come through this depression in as fine shape as any institutions in the country.

We want you to know about the State, and particularly its relation to your own affairs. Nobody can deny that the revenue

act passed by the last legislature was an emergency measure, nor that an emergency existed. The emergency existed not only in North Carolina, but throughout the Nation, as well, and the national congress, under the leadership of our great President, enacted many emergency measures, including emergency taxation measures, some of which were of a business variety. All of them were enacted, however, solely because of the necessity for meeting the emergencies.

I want to meet some of the criticisms hurled at that emergency measure. Primarily, they are directed to the statement that the revenue act contained an imposition of a general sales tax. We have never liked any tax—except the one that the other fellow pays—and the sales tax has been much “cussed” and discussed. I am not going into a defense of the tax, at all. I am simply defending the necessity for the imposition of it at the time and during the period that the emergency exists in this State. I want to answer some of the criticisms hurled at that tax, not with the idea of laying the groundwork for its perpetuation, but for the purpose of meeting in honesty and frankness some of the criticisms that are hurled against its imposition.

First, it was suggested that it didn't preserve the credit of the State. Nobody claims that it did it all, but any tax that raises revenue that goes into the general fund of the State helps to sustain the burden which the general fund bears. So, if any necessity ever existed for a defense against that argument, certainly it was met in the experience of North Carolina last week. You know that just eighteen months ago the state of North Carolina not only couldn't borrow a cent, but it was paying six per cent on its obligations; it was overdrawn to the extent of about \$15,000,000 before the fiscal year ended; and was spending at a rate in excess of \$7,500,000 a year beyond its income. And our state bonds were then being hawked about on the market at sixty-five to seventy cents on the dollar.

Today the picture is different. Now, every single one of our bonds is selling at above par. I have personal knowledge of the sale of a considerable batch recently at 107. And recently the State was able to sell its own short-term borrowings at the lowest interest rate of any bond issue in North Carolina—as low as  $3\frac{1}{2}$  per cent.

And, by the way, I would like to interject right there this suggestion: Not only was economy practised by the legislature by cutting the operating expense of the State by about one-third,

but the soundest economy comes out of the saving in interest payments which has been accomplished. The saving in that respect will amount to well over \$1,000,000 during the four years of this administration, and about \$2,250,000 during the life of the bonds.

North Carolina today has a credit as good as any state in the Union—and that is something for us to be proud of. North Carolina's obligations today are in demand everywhere. All of this is true. Why? Because North Carolina is today operated upon a sound fiscal basis, and is meeting its obligations promptly and in cash.

The next criticism was that it had not helped the schools. The suggestion is made that the schools are not entirely supported by the sales tax. Nobody claims that they are. It is a fact, however, that the sales tax will yield approximately \$6,500,000 for the first twelve months, having produced around \$6,000,000 for the first eleven months, which is approximately 25 per cent of the total general fund revenue of the State. The operation of the schools is further assured by taxes on incomes and franchises, and other taxes.

The point I am making is that the sales tax represents approximately 25 per cent of the financial rock upon which the school system in North Carolina stands. And, while I don't claim it has carried the entire burden of the schools, I do say, as you do, that I shudder to think of what would have happened to the schools of North Carolina if we had not had this \$6,000,000 to go on during this past year. It would have reduced our schools approximately to disappearance.

Now, I come to something that particularly concerns you, because I was quite frankly surprised the other day to read a claim that the imposition of the sales tax had not helped or relieved real estate nor ad valorem in North Carolina, and it is to that proposition that I wish to address myself somewhat freely, and bring to you some figures which will give you irrefutable proof as to what has been accomplished for property, because its effect upon real property concerns you and our entire citizenship.

The schools are almost inextricably linked up with this matter of land levy. It was some years ago that I sat on the local board of school trustees in this city, and I recall that seventy-five per cent of all property levies by this and other counties throughout North Carolina represented tax for the support of the schools and roads. I remember that in Elizabeth City Township, alone,



for the support of Elizabeth City schools there was a time when it cost \$1,000 a day for every day of their term—and that entire burden, not including the schools in the county, was borne by a property tax in Elizabeth City.

At first, this county was one of the few that got practically nothing from the equalizing fund, but as they increased the funds, we began to get more. Today, except where the communities supplement it by their own funds, practically every school in North Carolina for eight months is carried on exclusively and at the sole expense of the state of North Carolina, without resorting to property tax.

Besides that, the 58,000 miles of roads in North Carolina formerly supported by tax on real estate throughout North Carolina are every one supported out of state funds, and there is not now a penny levied on the homes or farms of North Carolina to maintain them.

Now, if these two great burdens formerly constituting about 75 per cent of our property tax levies have been taken off of land, how can it be contended that land hasn't been relieved, and that property tax hasn't been relieved. When the State takes that tax off, the local communities can put on another tax for other purposes—but you can't blame the State for that. It has lessened the burden which it formerly bore by taking off of those homes and farms all taxes for roads and all taxes for schools.

Now, let me give you some figures—they are mighty good things for sound business men to contemplate. I want to call your attention to certain facts which cannot be gainsaid.

Let's look at the assessed value of all property in North Carolina. In 1930 the total valuation was \$2,974,464,450; in 1933, as a result of an act passed by the last General Assembly upon the suggestion and at the insistence of the chief executive, there was a revaluation throughout North Carolina, and the 1933 property assessment has been reduced under that valuation to \$2,089,209,188. This is a reduction in total property values of \$885,255,262. in North Carolina.

Now, if the tax levies in North Carolina had stayed exactly the same as they were, by the simple process of that revaluation the tax burden in North Carolina would have been reduced by approximately 33 $\frac{1}{3}$  per cent. So, how can anyone say that there has not been any reduction in taxes?

Now, let's go a step further. Before the last legislature met, the total burden of tax borne by the local communities in North



Carolina, which means counties, cities, and towns, was \$46,408,-327.50. Since the last General Assembly, which shifted a third of the burden from counties and towns, the local burden is reduced to \$35,971,365. There has been, therefore, my good friends, a reduction in the local burden—that is, the burden of taxes that the local communities carry in North Carolina, of \$10,436,962.

Putting that in the form of percentage, before the last legislature met, the local communities bore 56.3 per cent of the total tax burden—the total sum of all taxes levied in North Carolina. Since the last legislature met, the local communities bear 43.8 per cent of the load.

We perceive, therefore, that there has been a reduction in the burden of the local communities, through a reduction in the real estate and property tax, of 22 per cent—and *that even after some of the local communities have added on additional levies for other purposes, for which, of course, the State is not responsible.* The State has, therefore, given to the local communities of North Carolina a net tax relief of 22 per cent.

Now a little further: when the State took over the entire burden of carrying on an eight months school in North Carolina, it did something more than just give an equal chance to the boys and girls of the town. That has been one of the dreams of my life. A good many years ago I made a commencement speech down in Camden County, and I expressed the hope then that I might live to see the day when the boys and girls of the country districts would have the same chance as the boys and girls in the cities of North Carolina—and that has now been done!

The State has also taken off of property the expense of maintaining the schools. Some suggest to you that it has only relieved the fifteen cents ad valorem levy. That is not correct. The State has relieved you of not only the fifteen cents levy, but of every other levy made on property for the operation of schools.

Let me put that in figures to show you how it works—I want to apply it to various sections throughout the State, beginning here in my own beloved county of Pasquotank: There were several levies relieved in Pasquotank, which total \$70,541. By reason of the state tax for the operation of the schools for eight months the county was relieved of a district levy for current expenses amounting, in the year before, to \$18,535; a special levy of \$18,835; the fifteen cents levy of \$27,933; and a current expense levy of \$5,238; totalling \$70,541. The last one was pri-

marily to keep up the buildings. The State, at the last legislature, turned back to the local communities fines and forfeitures for that purpose. These figures are substantially correct, and can't be denied, and by the sales tax—this revenue bill which embraced the sales tax—there has been lifted from these farms and homes a tax burden of some \$70,541.

In Pasquotank, the relief, I said, was \$70,541. It would take to raise that much in Pasquotank on our present values a levy of more than fifty-eight cents on the hundred dollars of valuation—that is, if the State wasn't doing that for you, you would have to levy more than fifty-eight cents additional. Your present rate is \$1.41. So, you see you would have to levy \$1.99½ or \$2.00 if the State had not done what it did at the last legislature, which some people now profess not to understand.

Lets see what we are paying in sales tax. The total to date from this county—Pasquotank—is \$40,778.01, and at the end of the year it is estimated that it will reach \$48,932. So, Pasquotank got rid of over \$70,000 real estate taxes, and took on \$48,932 of sales tax, meaning \$21,609—or over 30 per cent—relief. Now, that is what has been accomplished here in this county.

When they tell you about the "nuisance" of the sales tax, let's also tell them about some of the benefits it has brought to us. It has kept the auctioneer and salesman away from many a home and farm, because it has enabled the people to pay taxes by installments.

Suppose I had come here to Pasquotank and said "I see you are levying \$70,541 a year to run your schools. If you will follow my lead I will relieve you absolutely of \$21,609—or more than 30 per cent—and I will let you pay the balance in installments of one or two pennies at a time, instead of having the sheriff come to you at the end of a year with a big tax bill. That is just what has happened in Pasquotank County—and what is paid in sales tax is far more than justified by the relief obtained.

In Camden County the levies relieved amount to a total of \$11,996. It would have taken an additional levy of forty cents to raise that amount, thereby increasing their rate from its present sixty-one cents to \$1.01. To date, the receipts from the sales tax in Camden County amount to \$2,633.76, and for the year the estimated amount of receipts is \$3,159.00. So, the relief is \$8,837.00—or more than 73 per cent—in Camden County, which is practically a rural county as we know.

In Currituck County, it would take an additional rate of sixty

cents to raise the total amount of the levies relieved. In that county we find a net relief of \$21,764.00—or over 82 per cent.

Perquimans County would require an additional tax rate of forty cents to raise the amount of the levies relieved by the sales tax. The relief in that county will amount to \$12,150.00, or more than 50 per cent.

In Chowan the total levies relieved by the sales tax amount to more than 38 per cent.

And in Gates County the relief will amount to more than 80 per cent.

Let's see about it in other sections of the State—let us go up to the Piedmont section: Guilford County, with the largest population of any county in the State, received relief to the amount of \$815,994<sup>1</sup>—that is, that much of levies were eliminated. It would take a fifty-eight cents additional tax rate to raise that money.

The total sales tax collections in that county up to the present, amount to \$354,106.35, and it is estimated that for the year it will amount to a total of \$424,926.00, thus effecting actual relief of the difference amounting to a total of \$391,068.00, or 48 per cent.

Go to Durham County. There we find that the total amount of relief is \$665,027.00, which, translated into tax rate, amounts to seventy-nine cents, thus bringing the rate up to \$1.33 from its present fifty-four cents. The sales tax relief there amounts to \$446,417.00, or 65 per cent relief.

In Alamance County the total relief from the sales tax will amount to \$13,093.00 or 11 per cent.

Forsyth County will receive relief to the amount of \$376,123.00, or 45 per cent.

Now, having covered the Eastern and Piedmont sections, let's go to the west: Buncombe County will be relieved of local levies totalling \$616,440. To raise that amount an additional tax rate of seventy-seven cents would be necessary, thus bringing their present ninety-four cents up to \$1.77. Their net relief in taxes will amount to \$350,382, or 54 per cent.

Haywood County is relieved of local levies amounting to \$130,499, which, translated into tax rate, would be fifty-seven cents, which would be the additional rate it would be necessary to levy in that county to raise that amount, thus bringing their present rate of \$1.57 up to \$2.14. The difference between the sales tax

<sup>1</sup>There is a difference of \$8,000.00 in the total used in this address and in the address delivered in Greensboro on May 29.

collections and what they would have had to pay amounts to a saving of more than 60 per cent.

Last, let us take Cherokee County—the far western county, where the total amount of local levies relieved was \$41,344. It would have taken an additional levy of fifty-five cents to raise that amount, thus increasing their present tax rate of ninety cents to \$1.45. The saving between that amount and the sales tax collections for the year will be \$27,274, or over 66 per cent.

So, we have the picture “from the mountains to the sea”; “from Currituck to Cherokee”; “from Murphy to Manteo.” And all over North Carolina the story is the same. There has been a substantial relief of property tax. And nobody with any regard for the facts can suggest there has not been such relief.

Now, why am I mentioning these things?—to show you that those charged with responsibility in this State are not unmindful of you, and that they are as anxious as you are to save you. We have saved in interest alone, since this administration began, enough to run every office and every bureau in the government for twelve months. In one little item I have saved enough to run my office for twelve months. We are working for the people, and trying to protect them. Their burden is easier and lighter by reason of the sales tax. It may be a “nuisance” to “shell out” a little penny here and there, but it doesn’t cost the merchant anything; all they have to do is to collect it and turn it in to the State.

The suggestion is made that it “drives business out of the State.” My observation as to that argument is that before the sales tax, every little town had its big-town competitor—and after the sales tax they will still have them. The people don’t go to the other town to get rid of the sales tax. It would take at least four gallons of gasoline to get from here to Norfolk and back—and that would pay the sales tax on a whole lot of purchases, as you know. Too, it isn’t levied on the foods essential to life, nor on the farmer’s produce. He is taken care of in every way, and his land is relieved. It has helped to save the whole State, and I know our citizens love the old State and will stand up for it and do whatever is necessary.

If it is necessary, in order to keep our schools open for our boys and our girls, am I mistaken in saying that we will do it cheerfully and gladly?

I am just pleading for the preservation of our State in an emergency.



Sometimes I hear a suggestion that we can get rid of the sales tax by using a portion of the surplus in the highway fund. They say we will have a surplus of, say \$10,000,000 for this year. Well, that isn't accurate; the surplus will not be so large. But, let us assume that it is correct.

First, how did we come to have it? We got it by skimping and saving on maintenance of our highways. We are today maintaining the 58,000 miles of highways for less than \$7,000,000 a year—for less than it used to cost to maintain 4,000 miles of highways.

We got that surplus also by stopping construction out of state funds. The only new construction in North Carolina for the present two years is by Federal funds, and you can use that only on projects approved by the United States government.

You folks out in the country know what that means, and once you realize what it means to the country you will rise up in arms against any such proposition. Why? Because you know that it isn't the roads that lead out into the country that are constructed by the Federal government, but it is the main truck line highways—and I believe the little country roads ought to be taken care of, as well as the main state highways and streets and it is the little roads that suffer by this policy.

Let's say you are going to continue this thing of starving in maintenance and in construction for the next two years, unless we can find some other means of raising the money. You say you are getting \$21,000,000 a year from the highway revenue. Your highway debt service alone costs you about \$9,500,000 a year. It ought to take at least \$10,000,000 to keep the 58,000 miles of roads in proper condition. You say you ought to pay the teachers and the employees of the highway system more money; and I agree with you. Do you want to raise them back to what they were receiving before the depression set in? It will cost you \$6,000,000 to give them back the 30 per cent cut. To get rid of the sales tax costs over another \$6,000,000. So, there would be at least \$12,000,000 of revenue that you have got to find somewhere every year.

Now, let's see how you are going to get it. You have \$10,000,000 surplus, you say, and you are increasing that by \$4,000,000 a year by starvation forced on the little country roads.

You take \$12,000,000 out of the \$14,000,000 the first year, and it leaves you just \$2,000,000 for the next year, and when you

get to the next year you haven't any surplus—and what are you going to do then?

It reminds me of a story told by Abraham Lincoln. The country was in great distress, and a group of financiers came to see Lincoln and told him they could relieve the situation by getting rid of the gold reserve and thus save the country. Lincoln listened to them earnestly, and when they had finished he said, "Gentlemen: Are you all through?" And they said "Yes." And he said "I want to tell you a story. Some time ago the hog cholera broke out in Illinois, and was threatening to destroy practically all of the hogs in that section. The farmers tried many remedies, without result, until finally an old 'quack' came through the country and told the people 'if you will just cut off the hogs' tails they will get well.' They did as he advised them to do, and the hogs got well. But, the next year the cholera broke out again, and the hogs all died—because they didn't have any tails to chop off."

Now, go spend your \$10,000,000 of surplus to get rid of your sales tax, and your State will be in somewhat the same position.

We have got to stick to the license, inheritance, and income taxes and already our franchise taxes are higher than our neighboring states which are inviting our industries into their borders. Remember that many corporations haven't any love for North Carolina, and once they think they are being taxed too much they would not hesitate to move elsewhere, expecting to save enough in one year or two to take care of any property losses they might suffer.

You are levying your income taxes already, except on individuals, up to the constitutional limit. You are levying high franchise taxes. You are levying high license taxes. You have exhausted everything. Do you want it pushed back on real estate? Do you want it pushed back on the schools and your children deprived of an educational opportunity? Do you want it taken out of your highways, destroying an investment of \$200,000,000 in North Carolina highways that will go down rapidly if not maintained; or do you want to destroy North Carolina's credit by failing to make provision for paying its obligations when they become due?

Knowing your hearts as I do, I have no hesitancy in believing that your feeling is one of assurance in North Carolina's present, and one of confidence in its future. And if we are to pre-

serve that feeling we must pay our interest and debts; our schools must be provided for; our highways must be preserved—and extended; particularly we shall not crucify the backwoods highways, and we must preserve the homes and farms and property in general against an unbearable and unnecessary ad valorem tax burden.

I am not pleading for the sales tax; if another way can be found in fairness I'll welcome it. I am pleading for our state of North Carolina.

And so I ask you to coöperate with me in the high and holy enterprise of building up old North Carolina to a higher level and to a better day. What happens to me, personally or politically, I say in all candor, honesty, and sincerity, I care not! I invite you to stand with me to build up North Carolina, and we shall take a pride in the future, as we have in the past.

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## CRIMINAL LAW ENFORCEMENT

ADDRESS DELIVERED BEFORE THE NATIONAL CRIME CONFERENCE

WASHINGTON, D. C.

DECEMBER 12, 1934

It is an honor and a privilege to participate in this great conference and to express, on behalf of the governors of the several states, our admiration, and the appreciation which we feel for the man whose imagination and enthusiasm have made it possible, Homer Cummings, attorney general of the United States. No one can better understand the gravity of the situation which this conference was called to consider, than the chief executive of a state. Day after day there pass over his desk, reports of law enforcement officers, requests for extradition, and petitions for pardons. The mounting cost of detection, apprehension, prosecution, incarceration; the apparent increase in mental incapacity upon the part of those who commit crime; the manifold causes of crime, and of social conditions which require the control and discipline of the criminal law; all these and many more harass us daily and remain with us, as well, during our hours of relaxation. It is from hearts and minds full of these pictures of stress and social conflict that there comes to us full realization of the seriousness of the problem and full appreciation of the value of such a gathering.

In the inception of our dual form of government, much thought was given to the proper respective spheres of state and Federal action. In those days, relatively speaking, the scope of state criminal law administration was large and inclusive; that of Federal criminal law administration was limited. Because of the varying fortunes of the several states, in some, methods and effectiveness of criminal law enforcement were quite different than in others. Holding fast to the fundamental values of self determination, great lack of uniformity developed even as between the many localities in each state. In some the advantage was always on the side of order and good government. In others, from time to time, lawless elements got completely out of hand and in many communities it has been a bitter struggle to preserve a decent semblance of law and order.

Because of the greater uniformity of procedure which was possible in the Federal system, and because of greater resources in money and in personnel, Federal criminal law enforcements have been more effective, except, perhaps, during the dark days of the War between the States and of the period of reconstruction. During recent years, with the growth of commerce, increase of population, and the intricate complexities of modern life, there has been a considerable extension of Federal jurisdiction—not at the expense of state jurisdiction, however—as state legislation has been even more expansive, and the scope and expense of state criminal law enforcement has grown quite as fast as we have been prepared to assume it. In fact, I feel perfectly safe in saying that in no state are there to be found today adequate facilities for one hundred per cent enforcement of our criminal laws.

In part because of the honest belief that the Federal government can more effectively enforce the criminal law, and in part, perhaps, because of a desire to escape the burden of expensive state enforcement, some persons have recently urged wide increase in Federal jurisdiction, a Federal Scotland Yard and other such proposals. Of course these proposals lose sight of the proper division of responsibility between Federal and state governments and of the necessity for local realization and acceptance of a large part of the responsibility. Under the circumstances—and I am sure that I speak for all of the governors in saying this—we appreciate deeply the sanity and good judgment which has been displayed by Attorney General Cummings in his approach to the problem. In carefully considered language he has ex-



pressed the natural limitations of Federal power and has insisted upon the integrity of local and state governments in criminal law enforcement. The program which he sponsored in Congress at its last session was well calculated to work out such extensions of Federal power as were necessary to meet the changed conditions of present-day life. His invitation to the states for further coöperation between themselves; his offers of coöperation between the Federal agencies and the state agencies and the assistance rendered by his representatives in desperate cases of modern gangster crimes have been highly appreciated by the state executives. We appreciate, moreover, his invitation to join in this conference for the purpose of developing more effective weapons for warfare against criminals and more effective methods of coöperation between the states and the Federal government.

I believe that the Federal government can go much farther than it has already gone without in any way infringing upon the inherent powers of the state governments, and if this conference shall so resolve and the attorney general shall so order, the states will very soon find themselves even more indebted to the Federal Department of Justice than they are today.

The great weakness of local law enforcement arises from two causes: (1) disorganization of law enforcing agencies within the state and (2) inadequate personnel. The price which we have paid for our insistence upon the right of local self-determination has been that there has not been sufficient coördination of effort between different local law enforcement agencies and at the same time too great indifference about the qualification of men selected for law enforcement work. In my state of North Carolina, I have recently been carrying on an investigation of the cost of county government. We have one hundred counties in North Carolina. When these counties were established there appeared to be real need for them because of the great distances from outlying parts of the counties to the respective seats of county government. Since then we have built a great system of paved highways and have been blessed, as have the other states, with modern inventions such as automobiles, telephones, radios, and newspapers, which have eliminated the previously existing great distances, so that now a man can travel from one side of the State to the other in less time than it took formerly to go from one corner of a county to another. It has become apparent to us now that our county government could be run more effi-

ciently and with much less expense if our counties were reduced in number. To this end, at my suggestion, the last General Assembly of North Carolina enacted certain measures providing (a) for consolidation, by popular vote, of two or more counties; (b) for consolidation of various county activities; and (c) for consolidation of duplicate functions of counties and municipalities. Through an ever enlarging educational campaign we hope to bring about real results under this legislation which has opened the way for substantial progress in this field.

One phase of the existing inefficiency and wasteful expenditure to which I refer lies in this very field of criminal law enforcement. An inferior court system devised for a pioneer age, a multiplicity of minor law enforcement officials quite inadequate to cope with present-day conditions of crime, have been our heritage. We realize these limitations, but we understand, also, the necessity which requires that our people shall learn for themselves that better methods can be secured and must be secured if we are to measure up to our obligations as citizens, as did our forefathers who constructed forms of government which, if inadequate, were at least the best of which they were capable in their day.

I may be permitted here, I hope, to pay my personal tribute and to express the gratitude of the thoughtful people of my state to the work of the Institute of Government, a North Carolina enterprise and the brain child of Professor Albert Coates of the University of North Carolina, who has been sitting as my personal representative in the previous sessions of this conference. Through this activity a real effort toward substantial coördination and coöperation between each and all of the law enforcement agencies, both state and Federal, is being furthered; and what is equally important, through the exchange of information and experience an educational program has been put under way and is being fostered among law enforcement officers which promises great things in North Carolina and which may well be emulated elsewhere. This activity has been received with sympathy and constantly increasing interest by law enforcement officials from the highest to the lowest throughout the commonwealth.

Frankly, we would resist aggressively any solution of our problem which comes from the outside. We have no mood for dictatorship nor for absentee government, but we do understand and appreciate the importance of leadership and education in

securing necessary changes. We believe that it is along these lines that the Federal government can make its next great contribution. If we have in each of our counties and cities men as well trained as are the agents of the Department of Justice for purposes of detection and apprehension of criminals; if we can put into operation in our State methods of probation and parole such as those which are being devised and used effectively by the Federal government, of course the situation in every state will improve.

We appreciate the importance of scientific research, of the proper selection, education, and practical training of all those who are to be charged with criminal law enforcement during the coming years. To a considerable extent, it is and will be impossible for the states to provide facilities for carrying on scientific research and to establish schools for the training of officers. We realize that in the same way that the Federal Department of Justice has established its great collection of fingerprints, which are making available daily to our local law enforcement officers valuable data for identification and apprehension of criminals, in the same manner it may be possible to establish national research laboratories, national schools for the training of officials and, perhaps, the providing of men who may be available to the states to assist in establishing higher standards of state performance, not only for detection, apprehension and prosecution, but, also, for incarceration, treatment, and rehabilitation of criminals, and for devising better means of crime prevention.

I am confident that we can, within the terms of the Constitution, work out a solution for the important problem which confronts us with respect to the spheres of influence which should be occupied by the Federal government, on the one hand, and the state governments, on the other, in connection with the detection and prosecution of criminals and crime prevention. We can avoid the necessity of excessive centralization of authority in Washington by developing a spirit of sincere coöperation among the different states and between the states and the Federal government. The different agencies that are charged with the enforcement of the law should work together on important cases as a matter of course. The safe preservation of life and property and the security of our institutions are matters which are of mutual concern to the Nation, the State, and the locality.

While the necessities of the immediate present cause us continually to emphasize crime repression, we must not lose sight



of the fact that long-time planning for the future is essential if we wish to insure that succeeding generations shall be spared the necessity of combating organized lawlessness. In this connection, I was greatly encouraged to learn several months ago that Attorney General Cummings was planning to organize a national institute of criminology which would have as its objective the prevention of crime and the improvement of the administration of criminal justice throughout the country.

I feel sure that I speak for the governors of all the states when I state that we are glad to coöperate in the purpose of this conference and in the development of better understanding and more effective methods of coöperation between the Federal and state governments in the field of crime control. We are very hopeful that beneficial results will come from this conference. The governors are prepared to accept the challenge of the Federal government to undertake a great program looking towards the betterment of crime repression and crime prevention in this country, and we will carry forward wholeheartedly any constructive movement in that direction which may grow out of this conference. As for myself, it is my hope that the state of North Carolina will be a pioneer in the movement and will take a leading part in a coöperative program between the Federal government and the several states to bring to an inglorious end the reign of the criminal and the racketeer in this country.

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## STATE GOVERNMENT AT THE CROSSROADS OR NORMAL FUNCTIONING IN ABNORMAL TIMES

ADDRESS DELIVERED BEFORE THE ASSOCIATION OF LIFE INSURANCE  
PRESIDENTS IN THE HOTEL WALDORF-ASTORIA

NEW YORK, N. Y.

DECEMBER 14, 1934

The general theme of your considerations during this conference and your interest in the general subject of investments emboldens me to believe that you will be somewhat concerned in the experiences of one state government under the conditions which have prevailed recently and the way in which it has maintained the integrity of its credit and of its service as well. For I am revealing no secret when I say that the depression came



also to North Carolina and came at a time when perhaps it was most inconvenient.

In the days when all seemed well we had, like others, indulged in an effort to bring about great improvements in the commonwealth and these, of course, resulted in increased spendings, and consequently increased debts. I am not voicing any lamentations about these spendings, for while there may be some suggestion of extravagance in the outlays made by some of our governmental subdivisions no voice has been raised in North Carolina to suggest that our state spendings for highways, educational and institutional improvement represented other than conservative and worth-while investments in social progress. Today we are the proud possessors of a really great highway system and can point with pride also to the outstanding character of our educational and institutional equipment. Today, therefore, there is no disposition to apologize for any of these great outlays.

Nevertheless, it is true that indulgence in this enterprise, however meritorious, brought to our State a burden of state debt which is second only to one and that the depression's blighting touch fell upon us at perhaps the most inopportune hour in the life of these obligations: namely, the hour in which we were rapidly approaching the peak of our maturing obligations.

In this era of debt accumulations, our municipal subdivisions had also become inoculated with the virus of spending and had built up a staggering load of obligations. And since the burden of support for schools and roads was being carried by land or property tax, and since property also carried the burden of municipal governmental support, the diminishing returns from such property, a universal effect of the depression, resulted in a constantly increasing problem and the state government was more and more put to it to meet the situation.

There had been in North Carolina, as elsewhere, for some years prior to January, 1933, a movement to relieve the disproportionate burden of taxation resting upon land. It had been met first of all by the legislature of 1931 through a pioneering effort on the part of the State. For it was at this time that North Carolina, through legislative enactment, took over the entire burden of supporting all highways in the State and thus was the first state to assume the obligation for maintenance and upkeep of the county as well as the state highways. The immensity of this task is sufficiently evidenced by the statement that they today aggregate some 60,000 miles. The depression likewise laying heavy

hand upon tax yields from real estate had dealt a terrific blow to the educational enterprise in the State, and with some 50 per cent of our sub-units in default and little likelihood of collecting old, much less new, taxes, the great enterprise of providing an educational opportunity for the children of the State faced complete collapse and brought a challenge the like of which we had never before experienced.

With every source of state revenue shrinking and showing signs of further shrinkage, with a debt load oppressively high, with a spending program which was exceeding our income at the rate of approximately seven and a half million dollars a year, with an accumulated deficit of approximately fifteen million, with a partial limitation upon budgetary control, with a staggering debt maturity pressing for immediate consideration, and with educational chaos threatening the youth of our State, it is no wonder that in January 1933 we felt sorely pressed and fighting against a sea of troubles.

Manifestly three great problems presented themselves for consideration: (A) the problem of meeting our debt maturities and restoring our obligations to par; (B) the problem of relieving the unbearable tax burden upon real estate which had ceased to be a dependable source of revenue; and (C) the problem of education for the boys and the girls of the commonwealth. How the legislature of 1933 met these problems in North Carolina is now a matter of history and pride.

The fiscal problem was solved through the pursuit of simple expedients. First, we cut our expenditures approximately 33.33 per cent; secondly, we levied a sufficient amount of taxes—even though necessary to include the unpopular sales tax—to make income equal outgo; thirdly, we extended budget control so that at all times the chief executive could see to it that no more was spent than was received; and fourthly, we inaugurated reforms in the collection of state revenues which would insure the fullest possible realization to the State from all levies made.

The enactment of the sales tax not only helped solve the fiscal problem by providing a sufficient quantity of revenue to balance the budget of the State, but it also afforded opportunity and means of solving the other two problems which bore so heavily upon us. As North Carolina had pioneered in the field of highways by taking over from governmental subdivisions the support of all highways, so at the suggestion of the executive the legislature of 1933 pioneered in the matter of schools by taking

over the entire burden of support of a standard eight months school term for every child in the commonwealth, rural as well as urban. Through the consolidations which such an effort enabled us to make, through the strengthening of the individual schools, and through the transportation opportunity provided to the children in the outlying districts, we were able to set up a state-wide, state-supported eight months school term throughout the Commonwealth, and not only to set it up but, what is more important, to maintain it. Thus for the first time in an American commonwealth was achieved a real democracy in educational opportunity. While one million children in the Nation saw the schoolhouse door close in their faces last year, not one of those lived in North Carolina; and while we did not pay our teachers as much in the way of salaries as we would like, every teacher was paid promptly and in cash. This system also reserved the right to the communities to supplement the State's standard, by popular vote, if they so elected.

It may be interesting here to note that in carrying out this program North Carolina transports to school each day 250,000 little children, which constitutes the largest transportation program in the country and which number, I believe, embraces more than one-seventh of all children transported in the United States. We have found by practical experience that transportation is more economical than overhead, and this is particularly true where the State maintains, as North Carolina does, an adequate highway system.

You who are interested in securities, in worth-while investment bonds, will permit me to suggest, in all deference, that you may well study the North Carolina situation when you are looking over the investment field. Our bonds, which in 1933 were selling considerably below par, are now all above par and in great demand. We are living within our income. We are levying taxes equivalent to our appropriations, and we are collecting, to a remarkable degree, the taxes which we levy. We have met our obligations as they matured and at the end of the biennium will have paid over twenty-four million dollars on the principal and interest of our debt—a rate of over one million per month. In the midst of the greatest depression of a generation and the gloom and despair which it entailed, we in North Carolina have refused to abandon the essential social enterprise of education for the children by the commonwealth, and just as we pioneered in the matter of state highways, so we have been the first to admit that



education is primarily the function of the State and to insure an educational opportunity for every boy and girl in the commonwealth. And this enterprise also has wrought a marvelous relief for sorely burdened land, for by means of the program above outlined the burden upon land throughout the State has been relieved approximately 33½ per cent and for the first time in years there is now some prospect of early restoration of land values. Please do not overlook the fact that all this has been accomplished not simply by entering new fields of taxation nor by shifting as distinguished from lifting the tax burden; but in truth and in fact there has been, by sane business methods and consolidation, an actual lifting of the tax burden and a lessening of the load which rested upon the commonwealth and its people. In 1929-30 the total tax burden of state and municipal government in North Carolina was a little over one hundred and two million dollars. In 1933-34 it had been reduced to about eighty million dollars—a reduction of about 20 per cent.

And do not, my good friends, overlook the fact that in North Carolina as elsewhere the problem, as far as state governments are concerned, is one of constant pressure from two sources. It was the President himself who in one of his pre-election speeches pointed out the comparative tax load entailed by national, state, and municipal spending. Substantially, as I recall it, he suggested that out of each tax dollar approximately 48 per cent was consumed by local governments; 40 to 42 per cent was consumed by the national government, and from 10 to 12 per cent was consumed by the state governments. This statement is submitted to show that generally speaking state governments are always caught between the upper and nether grindstones of municipal and national governments; and that there is at all times pressure upon them from both directions—demand on the part of local governments that the state governments assume a larger and ever larger proportion of the burden of governmental service, and encroachment upon the part of the national government upon the fields of taxation open to the states and through which these services must be financed. Some further comparisons may not be here out of place.

The picture, so far as my own state of North Carolina is concerned, is one of even greater disproportion. Of her tax dollars a trifle over 76 per cent go into the Federal treasury; the State gets about 12 per cent, and local governments nearly the same. You may be interested to know that last year North Carolina



paid into the Federal treasury over \$260,000,000 in taxes. This contribution was greater by over \$100,000,000 than that made by all the New England states (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut). We might even throw in the contribution made by either New Jersey or Michigan and still North Carolina's contribution would overbalance the entire group. Only New York outranked us in the aggregate of taxes paid, but there are some striking differences between New York's and North Carolina's contributions. In the first place, the per capita wealth of New York, as well as its per capita earning power, greatly exceeds that in North Carolina. But what is even more significant, while New York got back from the Federal treasury in the way of Federal expenditures in the State last year approximately \$1.14 for each dollar paid, North Carolina got back only about forty-three cents of each dollar contributed, making a net contribution for this State of over one hundred million dollars, the greatest net contribution of any state in the Union and a comparison which emphasizes the disproportion above outlined.

Perhaps some further comparisons here may not be out of place. In the matter of dollars paid into the Federal treasury per capita, North Carolina ranks first with a contribution of \$80.27 per person. While in the matter of dollars received from the Federal treasury North Carolina ranks lowest with a per capita receipt of \$34.52. In the matter of ratio of taxes received to tax dollars paid, North Carolina ranks lowest with a ratio of forty-three cents received to each dollar paid, while New York, which alone pays an aggregate in excess of North Carolina, enjoys the ratio of \$1.14 received for each \$1.00 contributed. In the matter of public works, New York received about \$17.00 per head for a total of \$194,045,581, while North Carolina shares in this Federal bounty at the rate of \$8.00 per head for a total of only \$24,422,479. Even in the matter of relief, while New York receives from the Federal government assistance at the rate of \$12.00 per capita, North Carolina gets back at the rate of only \$4.00 per capita. And New York's state and city contribution to relief by way of assistance to the Federal activity will not equal the excess she receives from the Federal government over her contributions to it. Sometimes we are prodded with the suggestion that North Carolina is not making direct contributions in aid of Federal relief activities in amount comparable to that made by other states. To all such critics I venture the suggestion that



Governor Ewinghaus with Governor Olin D. Johnston of South Carolina at the twenty-seventh Governors' Conference at Biloxi, Mississippi, June 13-15, 1935.



they take a look at the figures and from these learn the truth that there is not a state outranking North Carolina in such contributions but has received from the Federal government over all more than she has paid into the Federal treasury. These comparisons, with New York particularly, are not made invidiously but solely for the purpose of pointing out the relative responses of the states to the necessities and demands of the Federal government.

I am not unmindful of the fact that some of you will suggest that the greater bulk of North Carolina's contribution comes out of tobacco, but let us not forget that if you would deprive North Carolina of the credit for its tobacco tax contributed, you must revise your rules with reference to other states as well. For the people throughout the land help pay the import taxes collected through New York, the taxes in gas, oil, and coal collected through Pennsylvania, the corporation taxes which flow into the Federal treasury from Delaware and New York, the insurance tax contributions of Connecticut and Massachusetts, and the automobile taxes which are collected in the first instance in Michigan. Instances might be multiplied at length.

Tobacco taxes are collected in North Carolina for the very good reason that tobacco factories in the main are located in North Carolina, and tobacco factories are located in North Carolina in obedience to the sound economic law that factories, to be profitable, must seek location as close as possible to the raw material which they consume. Forget not, therefore, that North Carolina raises approximately five-sevenths of all the flue-cured tobacco. Forget not, also, that taxes, national and state, are constant, that manufacturer's cost and reasonable profit, as well as the middleman's cost and profit, are likewise reasonably constant, and that when there is pressure, through sales resistance occasioned by too high prices, this pressure, in the last analysis, goes beyond the constant factors in the theoretical price realization and weighs most heavily upon the only flexible element in the scale; namely, producer's realization. So in a very real sense the tobacco tax is paid by North Carolina since North Carolina produces five-sevenths of all flue-cured tobacco grown.

Forgive, I pray you, the length at which I have outlined some of the problems which faced one commonwealth at the crossroads. Conscious of your concern about sound investments, I thought you might be interested in the way one state was meeting its problems. We make no apologies when we suggest to you



that a North Carolina bond is a sound investment. We point to the record as the surest proof that the indomitable spirit of a people which would not yield even to the chaotic influences of these last few years will keep that investment sound. We hold it essential that there be no default in any obligation of the State, whether fiscal or social, and we shall continue to give our best efforts toward the meeting of these problems as and when they are presented. Hard as the task may be, dark as may be the prospect, and difficult the approach, we comfort ourselves in the thought of what has been accomplished and we seek from this an inspiration to higher resolve. "What makes the hills disappear when we reach them, mother?" asked the little girl who in traveling had observed that the attainment of each summit brought the disappearance of its approach. And so it is also on the summits of our daily problems that we are able to forget the hardships of the climb and to take fresh courage for the ascent which is ahead.

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## LABOR PROBLEMS IN NORTH CAROLINA

AN ADDRESS<sup>1</sup> DELIVERED BEFORE THE TWENTY-FIRST ANNUAL  
MEETING OF THE INTERNATIONAL ASSOCIATION OF  
GOVERNMENT LABOR OFFICIALS

ASHEVILLE

OCTOBER 1, 1935

The activities of labor departments in the various states and in the Nation may be said roughly to center around three major lines. And in order that this group may know something of what has been done in North Carolina, I venture to outline something of our own State's activities in these directions.

First, departmental activities concern themselves with the problem of job provision or aid to laborers in securing employment. North Carolina, upon recommendation of the executive, adopted at its last legislative session measures looking to a full coöperation with the Federal employment service and pursuant to this legislative authorization has set up in the State a service along this line.

Secondly, departments concern themselves with measures look-

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<sup>1</sup>The governor spoke extemporaneously on this occasion, and this copy of his speech was from a stenographer's report.

ing toward provisions of reasonable safety in labor and the protection of labor against unnecessary or preventable injury risks, as well as the provision of improved conditions generally in the labor field.

Today in North Carolina we find that there are comparatively few violations of the child labor regulations that were provided in the NRA code and none of violation of the North Carolina laws which were almost though not quite up to the NRA standards.

Speaking of moral appeal as distinguished from legal appeal, you know I think we are finding it more and more necessary to emphasize that in this connection with enterprises such as you have to perform, because when all is said and done an awakened conscience, more than anything else, recognizes its responsibility to those with whom it comes in contact. Indeed, I have always felt very much like old Bobby Burns. I have always felt that he correctly appraised the situation when he said, as you will recall, "The fear of death's a hangman's lash to goad the wretch in order, but where ye feel your honor grip, let this aye be your border." The man who simply responds to the restraints of the law and the commands of the law and the necessities which the law throws around him is a pretty poor citizen after all; he isn't doing anything except being goaded in order by the fear of the hangman's lash. But if he responds to a sense of moral obligation then you see his awakened conscience is reaching higher levels and he is really making the finest sort of response that is imaginable.

So we are trying to carry on this safety enterprise through inspections. We have enlarged our opportunities for boiler inspections and for safety enterprise generally through the promulgation of a code that to me is a very, very splendid achievement and to which I invite your attention. I can not speak too highly of the worth-whileness and of the splendid enterprise of the Labor Department conducted by our commissioner of labor, Major Fletcher, in the formulation and promulgation of that code. It represents not only the high water mark in North Carolina safety enterprise, that is, the enterprise on the part of the State through one of its departments, but it provides, I believe, a veritable model which may be studied in other enterprises. If I may say so without any suggestion of disparagement, for certainly I mean none, it represents the outstanding achievement in the promulgation of safety regulations by any of the states south

of the Mason and Dixon line. And, with proper deference to you brethren and sisters from the North, I think that it represents a fair approach to the best that there is in your own jurisdictions. That code has been formulated first as simply tentative regulations for safety and then, under legislative authority, was promulgated into a form having the sanction of law by virtue of the signatures of the commissioner of labor and the governor. It has now been accepted by industry cheerfully and joyfully and is being carried out in fine spirit to a very substantial enlargement of the activities in behalf of industrial safety.

Then the last thing to which I wish to direct your attention, asking your pardon for speaking longer than I had any intention to speak, is the third phase of your activity that concerns itself with the security of one's job, with the development of something of permanency in jobs. Now all of us realize that there is a great gulf between the attitude of the man who thinks that the government owes him a job and that the government or private industry has got to give him a job, whether he works or not, and the attitude of the other extreme that thinks that labor is a mere chattel or that labor is simply a commodity, I mean that the energy of labor is simply a commodity purchasable in a world market. Between those extreme attitudes the present-day enlightened conscience and sense of governmental and citizenship responsibility must make adjustments. And between those two we are trying to work out an ambitious enterprise for the establishment of something of permanency of employment or certainly something of security of income to the average citizen so that he may not be dependent upon the whims and fancy of those who have jobs to give out or upon the fluctuation of the business tide and the destructive effects of such terrible calamities as our depression periods, which come in cycles, as we all know.

Now how are we going to do that? The Federal government has enterprised a great program of social security. It comprises several features but the two principal features to which we, of course, direct our attention are the provision of something of security for the aged and infirm in the first place, and in the second place the provision of unemployment insurance as a means of taking up the slack, so to speak, in those periods in which men who are willing to work, through no fault of their own, find themselves without employment. Now I know some of you represent states which had already in existence old age pension laws and unemployment insurance laws. I am sure that you enjoyed

as I did the delightful exposition of the general purpose of these laws by the splendid and capable lady who presides over the destinies of the Federal Department of Labor last evening.

We found ourselves in North Carolina without legal setup to take care of either situation and we sat somewhat watchfully waiting for Congress to act while our own legislature was in session. The policy of watchful waiting is not confined to military operations. All of us know, who had any dealings with legislative bodies, that we have to pursue that policy on more than one occasion and with reference to more than one activity and necessity. And so the legislature of North Carolina stood hesitatingly waiting for Congressional action during the five months of the session beginning early in January and ending in May. Now the executive had no hesitancy in his message to the General Assembly at its January sitting in recommending to that General Assembly the enactment of unemployment insurance. Indeed, the preceding legislature, that of 1933, in North Carolina, acting in the midst of the depression period and sensing its responsibility, its social responsibility, had authorized the governor to appoint a committee to study unemployment insurance and to make recommendations to the General Assembly of 1935. That committee was appointed by the governor and those recommendations were made, and on the basis of those recommendations, made by a very splendid committee in which our own commissioner of labor participated, those recommendations unhesitatingly suggested the enactment of unemployment insurance. And I was happy to recommend that to the General Assembly. We had no data at the time of sufficient proportions on the subject of old age pensions, and so a recommendation with reference to that was for a continuation of our study and compilation of appropriate and sufficient data upon which we might act. And that was conveyed to our General Assembly. But the legislature waited for Congress because it didn't know just what to set up that would conform or that they would be assured would conform to the final Congressional decision on the subject. Then in the last days of the session, after conferences with the head of our Labor Department and others, recognizing that Congress was still somewhat hesitant or had not acted, I conceived a scheme in which I take a little pride, if I may be permitted to say so. I called in my legislative advisor, an able lawyer, my close friend and long-time acquaintance, and gave him a model unemployment act and I said, "Now this is the last day of the session of the General



Assembly of North Carolina and I realize the impossibility of getting a controverted measure through of course at this time, but what I want is a measure constructed along certain lines which I will outline to you. And I have only two instructions to you; make it brief and make it broad. I want it just as short as possible and I want the powers to be as broad as possible." And I said, "My general idea is this; a very short bill authorizing the governor, with the approval of the Council of State, to set up in the Department of Labor or any other department or as an independent enterprise if desirable an unemployment insurance activity and fund. And I want you to provide in there, on the basis of the title heads of this model act, the power in that enterprise or in the Council of State, with the governor approving, to set up as finally determined upon, to promulgate rules and regulations along these lines, and to accept contributions from the Federal government or contributions from industry or otherwise to carry on that enterprise." And we drafted such a measure and sent it upstairs and passed it through both houses of the General Assembly on the final day of the session. And I am happy in the belief at this time and until I am advised to the contrary—and I am not at present apprehending such advice—that we were able to obtain in this way in North Carolina an unemployment insurance provision or law that is workable and that is workable in conformance with the Federal statute. I believe that we were able in that way to anticipate the enactment of the Federal statute in a satisfactory way. And it will be the purpose of the department and the purpose of the governor and the purpose of those whose responsibility it is to set up that activity and put it in motion in North Carolina to put ourselves in step with the Federal act along that line.

Old age pensions, of course, as pensions do not begin to be effective until 1942. The present old age benefit payments were contemplated to begin almost immediately, but the filibuster of an unforgotten man, who rests tonight, prevented anything like congressional appropriation of the funds to carry on that enterprise, and that must wait, of course, until Congress meets again.

Now forgive me please, first for talking at such length and secondly for wearying you perhaps with a statement of North Carolina's enterprise. It is only by contact and by finding out what others are doing that we are able to shape our own courses. We can't live unto ourselves, and that is the only justification I have for telling you something about the problems and some-

thing of the way in which we have tried to meet them. We have found ourselves handicapped, terribly handicapped in the last two years. We feel today the predominant liberation which vastly increased appropriations and financial provision give to each and every one of us. We feel more keenly the challenge of the day and the responsibility of the moment and we feel in our hearts not only the force and the driving power of that challenge but something of that consolation which comes from a realization that we have the necessary finances to meet the challenge in something of substantial proportions.

And so with our hearts high and our hopes high and catching the inspiration to higher resolve which comes from contact with present-day, challenging problems, we are confronting the future.

We are happy to have the opportunity for association with you our brethren and sisters from other states who are engaged in like enterprises. We are quite certain that we will catch from you a great deal of inspiration and a great deal of information. And I think it is a very, very happy thing that those from various parts of the country, having similar problems in simply different localities, are brought together in an activity such as this so that we may talk our problems over and get something of guidance in the solution of those problems, guidance that comes from the experience of others and the way in which they have met that experience. The old day of division is gone. The old day in which we envisioned the country as a territory of divided interests and antagonistic aims and aspirations can never come again. Such lines and divisions of demarcation as the Mason-Dixon line have vanished and today are only historical facts, that is all. But today more and more men and women from the distant West and the close at hand East, men from the frozen North and men from the warm and sunny climes of the South, men from our splendid neighbor country of Canada; men and women from every section, every part of this North American continent, yea, even from other continents, with common problems are recognizing a common interest and a necessity for common consideration and are studying these problems as brethren. So I greet you as laborers in a common enterprise and an inspirational enterprise, with hope and with courage and with determination to carry on in spite of any difficulties that may confront us. *Applause.*

NORTH CAROLINA LABOR LEGISLATION  
AN ADDRESS<sup>1</sup> DELIVERED BEFORE THE SECOND NATIONAL  
CONFERENCE ON LABOR LEGISLATION

ASHEVILLE

OCTOBER 4, 1935

I think I cannot give you much better proof of the sincerity of my desire to be in attendance upon this gathering than to say to you as I do in all truthfulness that in order to do so it has been necessary for me to travel from Raleigh here and back twice during this week. Those of you who have traveled the distance between Raleigh, our capital city, and Asheville, though we may feel entirely repaid when we come to the end of the journey, nevertheless we know we have traveled when we arrive at our destination. I am delighted to be present at this gathering, delighted because it gives me an opportunity to say something with reference to North Carolina's present, North Carolina's achievements in the past, and North Carolina's hopes for the future in the way of labor legislation.

I am particularly happy in the privilege that is mine to be associated in such a gathering with the gracious and gifted lady under whose personal supervision the whole plan and enterprise of this particular activity has been promulgated and who is largely responsible not only for accomplishment but for inspiration as well in connection with the various phases of labor activities and the improvement of labor conditions throughout the Nation. So whatever the difficulties, I felt that they should be met; whatever the burdens, it seemed that they should be borne patiently if for no other reason than because our own North Carolina has been honored by this distinguished member of the President's Cabinet in selecting this as the site of this particular gathering, and because I felt that it was quite proper in connection with the program for the evening that we know something of what was going on in this activity in our own State.

Perhaps I may be mistaken in the scope of the consideration of the evening. If so, I am sure you will pardon me. I gathered from the information that came to my desk that this evening was to be given over to a discussion of state and national programs in connection with labor legislation, and while I may not

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<sup>1</sup>This copy of the address was made from a stenographic report which was taken at the conference and later sent to the governor for his corrections.

dwell so much at length upon the particular phase of that legislation to which the Chairman has already directed your attention, I do expect to give some consideration to it and try if I may to point with definiteness and certainty to North Carolina's place in connection with this great movement.

Labor legislation generally has moved somewhat tardily. That is the history of labor legislation in the country, and particularly in this Southland of ours it has been a matter of some difficulty at times to awaken the people to a consciousness of the responsibilities and the challenges which such an activity presents. I have no doubt in the world that we have seemed to those brethren in other states to move with a slowness and a stolidity that was not altogether attractive. I believe, however, I am correct in saying that the last few years have noted not simply evidences of an increased appreciation and understanding of responsibilities but evidences of an awakened interest and desire to respond to those challenges which have not been seen in a similar period of time in all of the history of the labor movement.

Let us come to a consideration of North Carolina's activities during the present administration by going back to the year 1933. The early months of that year marked I think I am quite correct in saying the very abyss of the great depression. No period of time, certainly in my recollection and I dare say in the recollection of the most of you who are present, has seen so much gloom, despair, and difficulty as the months of January, February, and March, 1933. The very apex of the depression was reached, it seemed to me, on that fateful 6th day of March when under Presidential order the last banking institution in the country was closed and the people came in one dark and dismal moment to realize they had sounded the very depths of financial depression. And along with that, of course, came the despair with reference to the social movement in general increased difficulties placed in the way of those people who undertook to move forward in any sort of progressive movement. In January, 1933, the present administration in North Carolina came into power. Immediately the legislature then in session was called upon in response to the driving power of demands on the part of the populace to curtail expenses, to cut appropriations for various activities as they had never been cut before. We began our activities as the result of those legislative enactments and began them with appropriations curtailed fearfully on an average of 32.13



per cent. So, the Labor Department of North Carolina began its activities somewhat modestly, yet with high hopes, during this administration under the stress and strain and difficulties and hindrance of financial appropriation that was far, far from adequate, yet with a strength of purpose and determination and a consecration to high resolve and high achievement under my friend, the chairman of this meeting, the head of the State Labor Department, that inspired all of us who had an opportunity to observe it. So, we progressed as best we could and continued our work as best we could under the limitations of that moment and fought the battle against an overwhelming debt and a staggering situation fixed as we were with the second highest bonded debt of any state in the Nation and with an accumulated overdraft of some fifteen million dollars and short term notes falling due bearing the highest rate of interest the State ever paid and demands being made for their immediate payment and retirement.

We began to labor under those difficulties and fight the battle back to something like financial stability. We have done that very thing and I need not dwell upon the accomplishments along that line, but it is sufficient to say we had progressed to such an extent that when the last legislature came around, we were able to unfurl the flag of hope and to see something in the way of definite accomplishment and something more ample in way of provision for the sort of work that all of us who had the interest of that department and the labor movement generally at heart during this particular biennium had hoped for. With our financial house in order, with our bonds once more above par, with our notes retired and our deficit provided for, we began this biennium with an appropriation for the Labor Department, which I was most happy to approve, just five times as great as we had in the last biennium. *Applause.* And thus we made a little substantial progress toward doing the work we had in mind.

But let me tell you something of the specific things which we have in mind and which we have decided to accomplish in this connection. North Carolina was not among the first to adopt, for instance, a Workmen's Compensation Act. That act, so far as our State was concerned, was passed by the legislature of 1931. However, so strong was the opposition to that act in the General Assembly of 1933, accentuated perhaps by the wave of economy that was sweeping over the country and demands for economy and restricted spending, it may interest you to know during that

General Assembly those of us who were friendly to the act had to beat down and defeat twenty-seven specific attacks upon the act during one single session of the General Assembly. When the Assembly of 1935 came into being, we had accumulated such a strong sentiment in favor of the act that not a single measure was directed against it, so far as I recall, and we were able to secure adoption of amendments that greatly strengthened it and the administrative agency which carries on that act so as to serve better the laboring element of our population and carry on a high standard of work, and a high character of endeavor such as is contemplated by the Workmen's Compensation Act.

Some other things—I will not go into them in detail, but I do wish you to know something of what North Carolina has tried to do in this biennium in behalf of labor and in promotion of a general activity in favor of and in assistance to the laboring man in North Carolina. For many years labor has been interested in an adequate boiler inspection law. The North Carolina General Assembly of 1935, with the approval of the Executive Department and under the driving force headed by the chief of the Labor Department, adopted a boiler inspection law really worthwhile and a modern measure along that line. I believe it will take its place among the outstanding acts of that character so far as they have been enacted by any legislature in all of this group of states. Not only that, but we were able to secure with executive approval, in fact, upon executive suggestion, an amendment to our Workmen's Compensation Law that took care of occupational diseases, and I believe we have one of the best acts on that subject of any state of the Union and so far as my information goes we were the first in the South to adopt such an amendment and among the first in the Nation to include in the occupational diseases certain of these diseases that do not find a place in other acts.

Next, we bestirred ourselves in behalf of the enactment providing compulsory workmen's compensation coverage by the insurance companies. I do not wish here and now to enter into any discussion of the merits of that particular controversy. I do know I found it so in my State, as some of you did in yours, that it was quite difficult to get our brethren of the insurance faith to understand the necessity of certainty of coverage for workmen's compensation. What good did it do for us to have a workman's compensation act and when the workman was awarded compensation under the law, to find suddenly that the

insurance coverage did not take care of the situation or that the company which had the coverage had gone into bankruptcy and was unable to respond? So we enacted amendments to our law, fought them through the legislature, that provided with certainty that all workmen's compensation risks should be covered by the insurance companies doing business in our State and it puts us in a position to take care of and to be certain that the workmen can realize upon any claims that may be asserted under the act.

Next, we interested ourselves in the matter, as your chairman suggested, of unemployment insurance. Difficulties faced us in that connection, difficulties that confronted you in other states. The executive, in his message to the General Assembly, had no hesitancy in recommending the enactment of an unemployment insurance law, but we waited for some five months for the final action by Congress so that we might, if possible, have the Congressional action before us and tune our own legislative action to that. Yet Congress had not acted upon the matter when it came time for our legislature to adjourn. The executive had presented, therefore, an act which was designed to take care of this situation if and when Congress passed finally its legislative program on the same subject, and I have today from the Attorney General of North Carolina a memorandum, the result of his own particular studies of this act, in which he advises me, Madam Secretary, that after studying the Federal law, he is convinced that the North Carolina Unemployment Insurance Act is sufficient to comply with the Federal statute and we will be able to meet any requirements of the Federal government along that line. *Applause.* It is a happy thing for me to be able to report to this gathering that though we were handicapped in that we had no opportunity to see the final Congressional enactment, yet we were able to draw, and I am proud to say the act was drawn under my personal direction and in my office, an act which met fully every requirement of the Federal statute and which will function as that statute expects us to function.

So far as old age pensions are concerned, the legislature received the executive's recommendation of a continued study of that. The pension plan, as we all know, under the Federal law will not become effective until 1942. There is a provision for old age assistance to begin as soon as Congress can provide the funds for that purpose and I have no doubt in the world that the legislature of North Carolina when next it convenes will take



the last and final step that is necessary to meet the Federal requirements on that subject and certainly that is my personal hope and wish.

We have some other measures that received consideration in the hands of our General Assembly which we think are of peculiar interest to labor and are worth-while in a consideration of this moment. I regard whether it may be an erroneous opinion or not the public school enterprise as perhaps the greatest single state endeavor so far as labor is concerned that involves more hope and is more important to the laboring man than any other activity. I do not think the average laboring man appreciates just what the public school means to him. I remember, no doubt you do, when the school conditions in this and other states were very different from what they are now. I remember that when I was growing up the public school provided an opportunity then for only about a three months school year. But for the fact that my father provided an opportunity for me to go to a private school, I would have had no chance to progress beyond the opportunity that a three months school provided. The poor man is dependent upon the public school. The rich man can find a private school to which to send his children. If you strike down the public school enterprise, you have destroyed the single opportunity of the laboring man for the education of his children and there is no enterprise of the state government, it seems to me, that is more important to the laboring man than the public schools and we are giving real thought to that enterprise in North Carolina, having in mind what it means to the great mass of our citizenship.

Those of you who live in the State will pardon my repetition of something you have heard quite often. And those of you who come from other states will pardon me for my reference to this state matter. During the present administration in North Carolina, we became the first of all the states in the American Union to guarantee an eight months school opportunity to every boy and girl in the state borders. Whether in the counties or in the cities, the State itself provides for that eight months school opportunity without levying any taxes upon the homes and the farms of those who live in the State. Also, another school measure in which labor was greatly interested and which was enterprised and has been put into effect during this administration, is the school book rental system which was established with the idea of ultimately providing free textbooks to all the children in



all the schools in North Carolina, and so far as I am informed, this is the first state in the South, if not the first state in the Union, that has provided a school book rental system which will provide school books to the boys and girls of our State, particularly the children of the parents of limited means, at approximately one-third of the cost that has heretofore been necessary.

Next to that, we advocated a constitutional amendment in which labor was greatly interested, an amendment that will provide, if adopted by the people, for the exemption of the home of the average man up to one thousand dollars. That is a measure in which labor has been greatly interested in North Carolina. The taxes on the laboring man's home have been greatly reduced during this administration—33 $\frac{1}{3}$  per cent, or an average of thirty-five cents on the one hundred dollars throughout the State.

During this administration, we have set up a Division of Industrial Hygiene and Sanitation, the second setup of its kind, I believe, in health departments. In addition to that we have passed a law to pay any judgment that is rendered in favor of workers under workmen's compensation in the event the company that had guaranteed it becomes bankrupt.

One or two other measures which we have advocated will give you some further light upon the attitude of this administration toward labor. We advocated and secured legislative approval and appropriation for a State Employment Service in full coöperation with the Federal provision and activity along this line; we advocated the establishment of a state insurance fund as guaranty and protection against unreasonable rates for coverage so that we might be able to insure the fullest possible benefits to the laboring men under our workmen's compensation law, and I believe that so far as death benefits are concerned, that law provides the second highest death benefits of any industrial state in the Nation. The executive also advocated before the General Assembly of North Carolina at this time the ratification of the child labor amendment. Some of you may not have the slightest idea just how difficult it is to get North Carolinians to consider favorably the Child Labor Amendment. I believe our State was the first state to pass upon that amendment, shortly after it was submitted by the Congress, and at that session of the General Assembly, the North Carolina legislature declined to approve the amendment. When this General Assembly of 1935 convened and the chief executive appeared before them and in his message recommended the adoption of the child labor amendment, it

almost created consternation throughout North Carolina. No body knew better than the governor that it was not popular in North Carolina. Yet I advocated it and still advocate it and I was proud of the fact, even though we did not succeed in securing ratification, we were able for the first time to break through a committee and get the measure to the floor of the General Assembly, and they did not beat us in the Lower House of the General Assembly except by the narrow margin of fifty-two to forty-nine, and that was almost a miracle in North Carolina. *Applause.*

Another measure advocated by the executive which failed of passage but which will give you an idea of the attitude of the administration toward labor was the full crew law for the benefit of our railroads. That measure, in time, will be enacted by the General Assembly of North Carolina.

One thing more with reference to our attitude. I believe, Madam Secretary, that the first code that was adopted under the NRA was the textile code, number 1. North Carolina, as you know, is one of the leading textile states having taken the palm away from Massachusetts some time ago in that particular and when that code was under consideration, it was the pleasure of the chief executive of North Carolina and in keeping with his idea of the propriety, justice, and equity of the situation to make public appeal to the textile industry in North Carolina to be the first to adopt an NRA code, and they responded to that request by adopting it, and when the Supreme Court decision struck down that activity, the chief executive, mindful of the dangers and difficulties that decision necessarily put forward, immediately issued a call to the textile industry in North Carolina and a plea, an earnest plea that in spite of the fact the NRA's activities had been outlawed by the court they conform to the regulations of the NRA code particularly in respect to hours and conditions of labor so we might protect the laboring man as much as possible. I believe we have had a substantial and a very overwhelming majority of response to that request.

So much for the general attitude towards labor and the labor program that has been under consideration by the state administration. We have not achieved all we enterprised. We have not been able to write into law each and everything our hearts had hoped for. We have not been able to reach the millennium of achievement, but we have had at all times a high purpose and a real concern and we have, we think, accomplished much along

the road towards substantial achievement. I remember some time ago reading a little poem that was intended to depict the feeling, or rather the experience of a youngster in college and it closed with this statement, as descriptive of his own experience: "If we have not learned to win, at least we've learned to try." I would like to think that has been the attitude of official North Carolina, but certainly of the executive and the head of the Labor Department towards the labor program in North Carolina. If we have not learned to win in every particular, at least we have learned to try and with our hearts thoroughly in sympathy with each and every enterprise that can assist the laboring man to a better day and with our energies directed to the high purpose that is necessary to continue fighting for such measures until we attain a real, substantial achievement along that line.

I have great hopes for the future of North Carolina. The laboring man needs no eulogy at my hands nor at yours. The attitude of civilization towards him has undergone a complete revolution. Sometimes, as I said in the beginning, its progress has been slow and the realization apparently difficult. That is distressingly true in our own beloved Southland. But we are all becoming more conscious of those equities that are involved in such situations. We are becoming more conscious of our responsibilities toward that situation. We are becoming increasingly conscious of the fact that there is a responsibility that rests not simply upon the officials of governments, both state and national, but upon industry itself with respect to labor.

Three great objectives are always before us: (1) Some sort of protection in the way of a more adequate provision for safety to the man who works. (2) A provision for an opportunity to every man who wants to work to have a chance at a job. (3) Some provision for the economic security of the man who works and some safeguard against the black night of a future that is wrapped up in an absolute lack of financial ability to meet it.

With those three objectives constantly before us and with a determination to fight on against any difficulties that might present themselves, I hope and believe that the future is bright.

I am happy again to welcome to North Carolina one who is leading the national enterprise along this line. I rejoice every day in the chance to sit at her feet and learn from as well as listen to the message I know she will bring to us tonight, and I hope and believe that I, as well as you, will catch from her





Governor Ehringhaus delivering an address at the dedication of the Airport in Rocky Mount, June 25, 1935.





words the inspiration to higher and higher resolve and that we may translate that resolve into more substantial accomplishments in the future than we have been able to achieve in the past. *Much applause.*

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## AMERICAN NAVY GIVES OPPORTUNITY FOR CULTURE

ADDRESS DELIVERED OVER RADIO STATION WPTF ON THE  
OBSERVANCE OF NAVY WEEK

RALEIGH

OCTOBER 23, 1935

May I be permitted to give something of an official approval and commendation to the observance of Navy Week? As the official head of the state of North Carolina I am quite sensible of the part that the navy has played in the developing drama of American history, and more particularly is now playing in the preservation of the fundamentals of our American civilization.

The week is intended to celebrate the birthday of the American navy, which may more properly be traced to the act of Congress which first gave it recognition and official status and was passed on October 27, 1775. But as in the case of an individual—no birthday sentiment is appropriate which does not make something of appraisal of the life and character of the individual, so in the case of even so great an institution as the American navy we would fail in proper observance if we neglected the opportunity to make something of appraisal of its own achievements and to interpret its relation to our present-day lives and our future aspirations.

If I should speak of the great part that the American navy played in the American Revolution and has played in the various battle conflicts since the formation of the Republic, I would follow perhaps the orthodox impulse but I would be guilty of a reiteration which is easy but inadequate. It is quite true that there has been no period of armed conflict, no moment of danger to the peace and orderly existence of our government, no challenge to the integrity and dignity and might of the American government which has not been met by the navy and the men of the navy in a manner in keeping with the highest traditions of patriotism, valor, and national service. To say that the navy has

fought and fought well when occasion demanded is simply to state what may be said of almost any similar institution in any other country. I am one of those who like to think of the navy as something more than the fighting arm of the country. I like to think of it as an institution necessary and vital, not only for purposes of defense and righteous attack through the utilization of force, but as equally vital and necessary as an institution for the training of our youth and the preservation of the highest ideals of American citizenship.

It seems to me that the average man overlooks, in the temptation to exult over its war-time victories, the great work which the navy is doing in times of peace and in the way of peace preservation. It seems to me that it is well worth-while for us to reflect occasionally upon the number of our young men who are engaged in its service and who, in the personnel of its officers and men, are playing their part in the drama of our everyday American life. To those whose red-blooded youth seeks constantly the challenge of an exciting adventure there is presented in the navy service an answer to their every yearning. And to those who would combine with such a quest an effort for their own improvement in fitness for life and citizenship, there is here, too, a real opportunity.

For the navy does not simply give chance for permanent and comfortable employment. It goes beyond the mere supplying of means of satisfying the physical requirements of those on its rolls. It gives wholesome employment in clean and comfortable surroundings for those who are willing to give an honest hour's effort for an honest hour's pay. More than this, it gives an educational opportunity, a chance for development in general or special and selected fields to those whose ambition will not be satisfied at intellectual stagnation; it gives an opportunity for that culture and breadth of vision which travel, more than anything else, can stimulate; it gives a training in self-reliance and other individual efficiency which cannot be excelled; and above all, it sets before the men in its service standards of patriotism, clean living, and personal integrity which, if followed, are surest guarantees of character and success.

In full realization of the part which North Carolina has played in its history, of the positions which great North Carolinians have held in its personnel, of the thousands of young men who have been enlisted and still serve in its ranks, and of the other thousands to whom its call and challenge come daily with

increasing strength, I congratulate the navy and the men of the navy on this its birthday. I offer my tribute of admiration for the service which its past has rendered; I acknowledge the greatness and the worth-whileness of its present and peace-time endeavors; along with my fellow citizens I rejoice in the assurance for the future which is wrapped up in its preservation. My heart desires an American navy second to no navy in the world, not simply as a manifestation of national pride nor even solely because of its insurance of our national integrity; I crave this excellence and goal for navy achievement as a means of preserving a real and worth-while opportunity for our North Carolina youth, for the cultivation of those traditions, aims and excellences which are most distinctly characteristic of our American citizenship. For all the people of North Carolina, therefore, I salute the American navy, its past, its present, and its future.

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## NORTH CAROLINA MOVES FORWARD

ADDRESS DELIVERED BEFORE THE NORTH CAROLINA  
SOCIETY OF WASHINGTON

WASHINGTON, D. C.

NOVEMBER 20, 1935

It is most gracious of you to give me a return engagement. I shall repay your kindness by striving not to make a speech, but rather a report. We have been getting along fairly well since last I saw you. Principally our time of late has been taken up in the process of eliminating Rose Bowl contenders and candidates, and we have made a substantial if disappointing progress in that line. Honestly, this is getting to be a habit. For two years the Devils of Duke explored the football stratosphere in flights which first tantalized, then amazed and finally confused and confounded all loyal partisans. This year we started out with three adventures. First State College, graciously, if not gracefully, surrendered its chances in its game with Carolina. Then Duke doffed its derby to the lads of Georgia Tech and Auburn. Finally, Carolina caromed off the Duke stadium in utter rout and ruefulness. Next year, I have no doubt an awakened Wake Forest or a more dashing and determined Davidson will challenge the world "and a' that." God save us from ourselves. "Rose-Bowlitis" is incurable. Anyhow, I can assure you we play football—



real football—in North Carolina. You do not have to go elsewhere for a thrill or a threat. If you doubt what I say, come home some time and see.

And now that we have disposed of the California candidates, we are getting out those of political order. There are five for governor, God knows how many for lieutenant-governor, already gracing the glorious contest. What gluttons for punishment! For if I would, "I could a tale unfold, whose lightest word would harrow up their soul; freeze their young blood, make their two eyes to start, and each particular hair stand on end, like quills upon the fretful porcupine." But on with the dance. The weather's fine. The people love the show and the headaches are postponed until the morning after.

That leads me to my story. A year ago I told you something of the trials and tribulations of the preceeding two years—of our struggle with the depression at its worst. It was, I am sure, a drab and dolorous deliniation. You endured it, however, with characteristic Tar Heel patience and patriotism.

Tonight, briefly, I would continue that picture, but happily, we are now able to add something of the brighter colors.

The financial chaos wrought by the depression and our own over optimism made necessary, as the initial step toward recovery, the drastic measure of fiscal readjustment then recounted. They pinched, they peeved, they drew their storm of protest, but they protected—and what is more important, they laid the groundwork for subsequent and sure advance. To the General Assembly of 1935, we were able to report a sound fiscal situation and that the time for another attack had arrived. Recovery was not complete or danger from too hasty movement entirely obliterated. But the chance to renew, in caution, our advance was definitely here and the watchword of our command was unmistakably forward. And this has been—yea, still is—the mood and merit of our present situation. Salaries drastically reduced in 1933 were boosted 20 per cent, including teacher's salaries, and an additional 5 per cent is scheduled for next year. School and departmental activities were enlarged in nearer approach to modern standards. Highway construction—abandoned for two years so far as state provision was concerned—was renewed, and more adequate funds for maintenance provided. A modern highway safety law and an increased highway patrol were provided. An enlarged school transportation service, relief in school-book cost through the establishment of a rental system, a rural

electrification activity that already has enterprised and started construction of over 500 miles, accommodating thousands of customers, an "up-to-the-minute" game conservation measure and activity—these all are facts accomplished.

The old central prison is being revamped, made absolutely fire-proof and thoroughly modernized. Incidentally, there has been installed there a hospital which in concept and construction, as well as equipment, is the equal of any in the State save perhaps that of Duke University. The more than eighty prison camps throughout the State are in process of complete modernization, and most of this work has been perfected. The prison system itself—long a source of annual expense of nearly \$300,000—has been made self-supporting, and social reforms, as well, in keeping with the most approved modern methods, have been installed throughout the system.

A modern parole system, a re-employment service in full co-operation with the Federal activity, and an unemployment insurance setup to match any possible subsequent Federal legislation—these all were envisioned and encouraged by the executive and finally translated into legislative enactments.

Altogether, we have moved, we still move forward; altogether our accomplishments approach more nearly our acknowledged ideals; altogether—admitting our shortcomings and failures—there is in general activity and advance—ample cause for congratulation if not satisfaction; altogether North Carolina, God bless her, is a little better state in which to live, a little more fixed and forward, a little more advanced in the opportunity she offers her children, a little more conscious of her responsibilities, a little more equal to the task of fulfilling her obligations, social as well as financial, a little more eager to salute her sons and daughters who sojourn beyond the homeland's borders, and, I trust, a little more entitled to the full measure of their pride and love and loyalty.

## NORTH CAROLINA MAKES ECONOMIC ADJUSTMENTS

ADDRESS DELIVERED BEFORE THE NEW YORK STATE CHAMBER  
OF COMMERCE

NEW YORK, N. Y.

NOVEMBER 21, 1935

The invitation to address this gathering is especially appreciated, particularly since I am aware that under the influence of the present-day psychology, the average official — whether state, national, or local — is about as welcome in a business group as a soda vendor at a bootleggers' convention.

That, however, is unfortunate, for of all citizenship groups none needs government protection and understanding more than the business group, and from none can government itself derive more of strength and support than from this same group. For government, however idealistic or well-intentioned, cannot function without taxes to support its necessary and proper activities and business is the enterprise through which a large part of the citizenship finds not merely employment but the opportunity to create wealth. Out of wealth—great and small—must come also the tax revenue which is the lifeblood of governmental activity and it is axiomatic that the greater the wealth of a state, the greater the possibility of supporting an adequate and efficient governmental activity. Business needs government, and government needs business.

Indeed it would seem obvious that government itself, in its proper functioning, is a business of real magnitude—a business in which every citizen and every activity is vitally interested and concerned. It is, in fact, the business of public protection and public service within the compass of the Constitution. Of it, certain activities are not merely expected but demanded, increasing always with developing civilization, and for these it must raise the revenues necessary for their conduct. Upon it in this connection devolves the duty not merely to spend honestly and conduct efficiently, but to distribute fairly the burden of this support and to make that distribution in constant recollection of its consequences upon the lives and opportunities of the people. It may be old-fashioned but I hold that government to be best which functions in consonance with the fundamental virtues of honesty, efficiency, and economy—which performs its proper service to

the people in constant recognition of the necessity to supply their governmental needs as fully as their abilities permit, and no further, and which is as regardful of their burdens as of its own obligations.

In the difficult days of our recent past and the critical and crucial present, business, I know, has faced and still faces tremendous problems. At times its very destiny seems at stake and the weight of responsibility is too great for comfort. To those of you who labor under this pressure I would say that those of us who struggle with governmental problems have our own Gethsemanes. For if you have stockholders clamoring to you for dividends overdue and badly needed, we too have our stockholders—the citizens—crying aloud for ever-increasing service and lighter tax burdens. Perhaps it may not be out of place to tell you something of the story of one state and the depression.

In North Carolina we have been making a real effort to translate the principles of honesty, efficiency, economy, and just distribution of burdens into governmental conduct and activity—with what success, you shall be yourselves the judges.

The present administration in North Carolina began its work in January, 1933, when, as you know, the depression had reached its panic stage. Our revenues had shrunk to alarming proportions and were still shrinking; our state spending was far in excess of revenues; our heavy bonded debt load was pressing upon us in rapidly approaching peak maturities; our short-term current deficit borrowings were being called and their interest burden becoming unbearable. Primarily an agricultural state, our lands, their value diminished, and diminishing, were staggering under the heavy and disproportionate load of property taxes, and our educational system—dependent here as elsewhere largely on property taxes—was tottering and about to collapse—not a healthy or a happy picture for a new governor.

Recognizing that sound business principles must be applied to public as well as to private business, we set about immediately to put our house in order. We balanced our budget (a) by cutting expenses over 32 per cent, (b) by levying a general sales tax in the emergency, and (c) by making the principles of executive budget control applicable to all, rather than a part only, of state spending. Thus immediately we brought spending within the limits of revenue receipts and insured, through budget control, a continuance of this status. Incidentally, our economies — plus those already inaugurated—reduced the per capita cost of state



government in North Carolina to a point which is among the lowest, if it is not the lowest in the Nation. Incidentally, also, it may be noted that we collect our revenues at a cost of approximately 1 and 1/10th per cent—a figure which, I believe, even highly developed business will envy and wish to emulate.

Next, we turned our attention to the difficulties of our local governmental units and the burdens under which they labored and took over as a state enterprise the task of maintaining a standard eight months school term—including the high schools—throughout the entire State. Thus for the first time in any American commonwealth was achieved something of equality of educational opportunity between rural and urban sections—a real democracy of education. And thus, too, was achieved, along with economies in operation, a reduction of 33 1/3 per cent in the local government tax burden, which in North Carolina as elsewhere falls chiefly on real estate. Today our State has the lowest average property tax burden of any American state. Today the taxpayer in North Carolina pays less per capita in taxes for his state and local governments and, since the State maintains both schools and roads, gets more return in governmental services than in any other state. The complete figures are available and interesting. It may be said here, however, that the total tax load—that is the composite of all state and local taxes in North Carolina—was reduced from \$102,131,265.00 in 1929-30 to \$78,732,999.00 in 1933-34—a state-wide tax load reduction of approximately 20 per cent. Incidentally also, whereas in 1920 land taxes represented 84 per cent of the total tax load, in 1934-35 they represented only 39.9 per cent.

Immediately, too, we discontinued the long standing practice of temporary borrowing. Not a cent has been borrowed during this administration in North Carolina, not even for temporary purposes. Better still, since January, 1933, we have made payments on the principal and interest of our state debt at the rate of about one and one-quarter millions for each month of the present administration and have reduced the principal of the net state debt at the rate of over one-half million a month. This means a reduction in principal of some fourteen million dollars. So sound is our present position that through maturity payments and sinking fund accumulations, in about a dozen more years we shall be in a position to retire the residue of our debt without drain upon current revenues.

Through sound financial and business practices we have saved

in interest alone enough to pay all departmental expenses of our government for over two years of this four-year term, and if the cost of tax collection and health work be excluded the saving will pay all salaries and departmental costs for the full term of this administration.

With restored credit and sound business administration we were able to begin the present biennium with assurance. Under the acts of our 1935 Assembly we have increased all salaries (including teachers') 20 per cent and next year another 5 per cent will be added.

In North Carolina today the State bears over 66 per cent of the entire burden of school operation, whereas in most states practically the entire burden is borne locally. Only four states approach this—California 63½ per cent, Texas 61.8 per cent, Washington 50 per cent, and West Virginia 53.2 per cent. In Texas and Washington a large part of the state contribution comes from a state tax on real estate. North Carolina levies no state property tax. Only Delaware exceeds our state contribution, and Delaware has a school enrollment of about 40,000 as compared with our 900,000—nearly a million. In your own state of New York the burden is divided 66 per cent to local and 33 per cent to the State.

We are also transporting to and from school each day over 270,000 children—about one-seventh of all transported in the United States. And in this largest of all transportation enterprises only five children were injured last year—none fatally. Five casualties out of over eighty million child trips—how is that for a safety record?

The State, too, has enterprised this year a school book rental system which will place texts in the hands of our children at one-third their former cost and will eventually provide free texts. This, we believe, is the first state rental system.

In this effort to carry on a business-like administration, we have not lost sight of the omnipresent problem of equitable distribution of the tax load. I do not entertain the notion that we have a perfectly balanced tax system. When that is accomplished the millennium will have arrived. But we are striving to bring into that system the equity which just government idealizes and envisions.

We have an income tax—graduated to 6 per cent—for those of substantial incomes, a corporation franchise tax which covers corporate activity, and a license tax schedule for general busi-

ness activities. We have, too, in North Carolina the general sales tax which reaches all citizens. Roughly speaking, our state general fund revenue is derived as follows:

Sales Tax . . . . .	31 per cent
Through income, franchise, and license taxes . . . . .	56 per cent
This represents the business and income contribution.	
Highway fund . . . . .	6 per cent
Non-tax and other revenue . . . . .	7 per cent
	<hr/> 100 per cent

All things considered, we submit that this method of division cannot be classed as greatly discriminatory. Indeed, we think it will stand up well in comparison with any other.

This briefly is the story of a struggle and a triumph. It is presented to businessmen as an evidence of governmental striving to carry on in accord with social demands and business principles. In your efforts to build your own and the country's fortunes and future, I beg that you give to those of us who are charged with responsibility for maintaining the governmental service and structure the same measure of sympathy and understanding and coöperation which you seek for yourselves.

## HONEST THINKING AND FAIR-MINDED DISCUSSION NEEDED IN A DEMOCRACY

ADDRESS<sup>1</sup> DELIVERED BEFORE THE YOUNG DEMOCRATIC CLUBS  
AT THE JACKSON DAY DINNER

GREENSBORO

JANUARY 8, 1936

The anniversary which today we celebrate is something more than the anniversary of a battle. It notes and emphasizes rather the emergence of a great leader. The victory of New Orleans, so far as the War of 1812 and the peace which ended it are concerned, was barren of results, for it occurred, as you know, several days after the actual signing of the treaty of peace. It served, however, an important purpose and the bloody sacrifice which it involved, because of the slowness with which news traveled in that day, was appraised well worth-while by the people of

<sup>1</sup>This is only an extract from the address. The entire address is not available.

our country in the light of the victory's contribution to American character and self-respect. For this victory salved consciences, eased emotions, satisfied pride, restored confidence, gratified the national yearning for adequate punishment of an arrogant enemy, and compensated for humiliations which the people had suffered. And out of it all and above it all rose the towering figure of the dominant personality that had accomplished it and to whose leadership, heroism, and genius it was above all attributable, Andrew Jackson.

It is interesting to note the contribution and comparative positions of our great Democratic leaders and the part they played in building up the traditions and trends and hopes of present-day democracy. Particularly, it is interesting to compare the two great leaders, Jefferson and Jackson. Jefferson was the dreamer; Jackson the doer; Jefferson the theorist; Jackson the pragmatist; Jefferson was the party's Moses, its law-giver; Jackson its Joshua, its captain courageous; Jefferson was *for* the people; Jackson was *of* the people.

The outstanding leaders of other times are appraised largely by reason of their likeness to one or the other of these. Grover Cleveland was distinctly Jacksonian; Bryan and Wilson, rather of the Jeffersonian type. Today our party is fortunate to have as its chieftain, its first counsellor, and its dominant influence, a leader who embodies a happy combination of the outstanding characteristics of both—we hail and acknowledge these in the magnetic personality of Franklin D. Roosevelt.

Whether you agree in entirety with those measures which are ordinarily grouped and referred to as the New Deal; whether you cherish the notion that here or there the inevitable results of human frailty in concept or execution have manifested themselves, there are certain fundamentals which must be accepted by all fair-minded people. In all that has been envisioned and enterprised, the motivation has been the general good; the constant objective, an improvement in the condition of the average citizen; the unfailing aim, the protection of the weak against the strong, and a desire to gather up the fragments of a civilization which was fast crumbling under the force of a depression and remould it "nearer to the heart's desire."

If, therefore, the rigidness of constitutional provisions prevents the continuance of a national enterprise designed primarily to make nation-wide improvement in conditions of labor or give to the tiller of the soil a fair measure of return for those



things which are born of the sweat of his brow, does it not behoove us to exercise our hearts and our minds to interpret these ideals if possible through other methods; to preserve something of their concrete accomplishments and to put forth a new effort and a new enterprise that will restore the hope and the happiness which these were intended to promote?

Whatever may be the attitude of others, I find myself quite in accord with and ready to defend the challenge of our great leader when he said, in answer to suggestions of abandonment, "If this is what these gentlemen want, let them say so to the Congress of the United States. Let them no longer hide their dissent under the cowardly cloak of generalities; let them define the issue. We have been specific in our affirmative action; let them be specific in their negative attack."

And in our State, too, we have followed the same ideals and would make the same challenge. In all history there has been no period comparable to that covered by the last three years, unless perhaps it be the period which immediately followed the War Between the States. Compare, if you will, the record of Grant with that of Roosevelt; the record of Holden and Reconstruction with the present Democratic administration in North Carolina.

And so to those critics of the state administration I would repeat the President's own words. If they wish to abandon what has been done, let them say so. "Let them no longer hide their dissent in a cowardly cloak of generalities; let them define the issue. We have been specific in our affirmative action; let them be specific in their negative attack."

Would they abandon our insistence upon a balanced budget and resume the practice of spending beyond income?

Would they appropriate beyond the prudent and reasonable expectations of their tax levies and destroy the structure of state credit so carefully re-erected?

Do they criticize the saving in interest which these policies have secured, or do they think they could have been secured other than through maintenance of a balanced budget? Do they not know that these savings alone will pay much of the expense of our state government for years to come?

Will they decline to meet the maturities of our debt obligations in principal and in interest, honestly incurred and every dollar honestly expended, before this administration came into power, in improvements of highways and institutions and for payment

of which our State has pledged its "full faith and credit" in every act of authorization?

Would they tear down the policies which, under the management of two of your own distinguished citizens, have made the North Carolina prison self-supporting for the first time since Aycock's day?

Will they abandon the economies and efficient measures which have been set up in other state activities?

Will they push back on the counties and cities the cost of the eight months school term and restore the burden of its necessary supporting taxation to land, from which this administration has removed it?

Will they cripple the industrial enterprises and destroy small corporate activities in North Carolina by trebling the franchise tax burden which today is among the highest in the Nation?

Will they bring the income tax levy upon the small taxpayers up to the Constitutional limit of 6 per cent for the comparatively small return which admittedly such would yield, or will they tell us how to exceed the Constitutional limit of 6 per cent upon the higher incomes until the Constitution is amended? Do they know that this administration sponsored and supported a measure looking toward Constitutional amendment authorizing an increased levy upon the higher income brackets, and will they support it in the election which is ahead?

Will they take from the boys and girls of the rural districts of North Carolina the full eight months school term supported by the State which this administration has given them for the first time and which is enjoyed by the rural children of no other state in the Union?

Will they exchange the solid foundation of a state-wide educational system which now is ours for a spotted system such as exists elsewhere?

Will they repeal the administration suggested and supported measure for rented textbooks throughout the State and its savings of thousands of dollars annually to the parents of our school children?

Will they abandon the tax (even the disagreeable and disliked tax) necessary to carry on in present efficiency without presenting and securing an adequate substitute?

And since we have been specific, may we ask what substitute tax do they propose for such as they would abandon?

Will they make frank statements as to how under the Consti-

tution of the United States they can recall bonds with no call provision which were issued before this administration came into power and are not yet due?

And do they not know that this administration has no legal right to compel the surrender of such bonds?

When I became a candidate I told the people of North Carolina that I cultivated but a single political ambition, the governorship. Since that was gratified I have had but one desire, *viz*: to carry on in this office in a difficult day in a way which would best serve the interests of the State as a whole. That thought has motivated my every action. Ofttimes it would have been easier and certainly more in line with popular clamor to have made a different decision. Yet I have taken the hard course deliberately because conscience suggested it was best for my state. I have not—I do not now—question the motives or the patriotism of those who disagree with me on any public questions. I ask only the same consideration for myself.

Tonight, in the hope that it may give something of emphasis to what I am saying, I venture to repeat what I have repeatedly said since my inauguration, *viz*: that I have neither disposition nor desire for any other public office. The Democratic party, which has honored me with its leadership, has received in the past, and will continue to receive, my loyal and devoted support. Whether I agree in entirety with the record or dissent in part, you will find me always defending that record in State and Nation, and upholding the flag which I have been privileged to carry. I do not know how to impugn the motives of our captains or fling mud upon our flag.

We need honest thinking and fair-minded discussion. No group, faction, or individual has a monopoly of intelligence, character, patriotism or high motive. I stand tonight for democracy; I pledge to my party an unfailing loyalty; I promise you, Young Democrats, and I beg that you, too, pledge in the future as in the past to follow the leadership and the example of Old Hickory, whose virtues we celebrate, and see to it that always we are fighting for, not against, Democracy.

## INTELLIGENT COOPERATION IN GROWING CROPS NECESSARY

ADDRESS<sup>1</sup> DELIVERED BEFORE THE AGRICULTURAL SOCIETY  
OF SOUTH CAROLINA

CHARLESTON, S. C.

JANUARY 14, 1936

(1) Congratulations and felicitations upon a long and honorable career.

(2) Only recently I found a bit of special evidence of your honorable heritage and distinguished membership. I quote, therefore, from a letter of Thomas Jefferson, a newly elected member of your society, written in 1786 to William Drayton.

. . . Perhaps I may render some service by forwarding to the [Agricultural] Society [of South Carolina] such new objects of culture, as may be likely to succeed in the soil and climate of South Carolina. In an infant country, as ours is, these experiments are important. We are probably far from possessing, as yet, all the articles of culture for which nature has fitted our country. To find out these, will require abundance of unsuccessful experiments. But if, in a multitude of these, we make one useful acquisition, it repays our trouble. Perhaps it is the peculiar duty of associated bodies to undertake these experiments. Under this sense of the views of the society, . . . I shall be attentive to procure for them the seeds of such plants as they will be so good as to point out to me, or as shall occur to myself as worthy their notice.—TO WILLIAM DRAYTON. i, 554. (P., 17863.)

(3) The importance which this great leader attributed to these associations is further revealed by another letter to Honorable Robert R. Livingston in February, 1801, in which he discussed in detail plans for their uniting in a Central or National Society.

AGRICULTURE, Societies.—I have on several occasions been led to think on some means of uniting the state agricultural societies into a central society; and lately it has been pressed from England with a view to a coöperation with their Board of Agriculture. You know some have proposed to Congress to incorporate such a society. I am against that, because I think Congress cannot find in all the enumerated powers any one which authorizes the act, much less the giving of public money to that use. I believe, too, if they had the power, it would soon be used for no other purpose than to buy with sinecures useful partisans. I believe it will thrive best if left to

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<sup>1</sup>This is only the outline of the address. Governor Ehringhaus prepared the outline, but spoke extemporaneously.



itself, as the Philosophical Societies are. There is certainly a much greater abundance of material for Agricultural Societies than Philosophical. But what should be the plan of union? Would it do for the state societies to agree to meet in a central society by deputation of members? If this should present difficulties, might they not be lessened by their adopting into their society some one or more of their delegates in Congress, or of the members of the executive residing here, who assembling necessarily for other purposes, could occasionally meet on the business of their societies? Your [New York] Agricultural Society, standing undoubtedly on the highest ground, might set the thing agoing by writing to such state societies as already exist, and these once meeting centrally, might induce the other states to establish societies, and thus complete the institution. This is a mere idea of mine, not sufficiently considered or digested, and hazarded merely to set you to thinking on the subject, and propose something better or to improve this. Will you be so good as to consider it at your leisure, and give me your thoughts on the subject? To Robert R. Livingston. W. Feb. 1801.

(4) Jefferson's offer of "new cultures" is significant as indicating the dominant trend of all agricultural efforts in that day.

(5) This trend had its counterpart in our industrial history in which the effort then and always was toward "labor saving."

(6) So the "engineering mind" has for years concentrated on labor saving inventions until its contribution to unemployment became so general as to be recognized in the highly technical phrase "technological unemployment."

(7) And just as all thoughtful persons recognize now the necessity for a change of pace or viewpoint in this field, and a concentration upon "new labor-requiring enterprises," so in the field of agriculture we have awakened to the necessity of new enterprises and efforts toward the curing of its evils and illness.

(8) I said that the trend of agricultural effort characteristic of Jefferson's day had persisted through the years. Its emphasis and the emphasis of governmental effort, both state and national, has for many years past been on increased production through the stereotyped demand for better seed, improved methods, and soil improvement. These all tended to make two blades grow where only one had grown before. To this was added an increased acreage given over to tillage in order to answer the increased world needs which immediately followed the World War. All simply worked towards a greater and greater production, and when the economic debacle came with its loss of markets and destruction of buying power, we found ourselves engulfed in surpluses which could not be disposed of, or consumed. The result might well be described as agricultural chaos.

(9) Even in times of peak prosperity, agriculture has failed to command for its products prices which were comparable to other commodities. In the economic collapse which we characterize as the great depression, it was completely crushed and its dependents reduced to the serfdom of starvation. Various methods of dealing with the situation and of approaching improvements have been suggested. Sensing the necessity for a state program in agriculture as far back as June, 1931, and in connection with the announcement of my candidacy for governor of North Carolina, I outlined my own views in these words which have from time to time been repeated: "The present starvation prices in cotton and the terrible plight of its producers illustrate the disastrousness of the situation and the futility of dependence upon the Federal farm board. We must take vigorous steps to help ourselves. There should be continued insistence upon an enlargement of our live-at-home program; an added emphasis upon the proper utilization of our waste acres in timber growing; game breeding, public hunting preserves, and like usages; a definite movement toward discovering new uses and new markets for all our products; a real effort toward reduction of our staggering fertilizer bill, and above all, *a diligent enterprise toward developing a practical plan for applying the principle of coöperation to the problem of production. Given an intelligent coöperation to the growing of crops, the marketing problem will be more than half solved.*"

I may be pardoned for directing your attention particularly to so much of this statement as reads as follows: ". . . above all, a diligent enterprise toward developing a practical plan for applying the principle of coöperation to the problem of production." That is exactly what the agricultural adjustment activity in Washington has been attempting to do, and the passage by Congress of this law gave rise to the first real effort under legal sanction to apply this principle of coöperation to our national problem of production. And since, in spite of legal setbacks, it is manifest that we are now fast approaching—if we have not as yet completely achieved—a national planning (mark you, I say planning, not control) in agriculture, it is equally manifest that we in the agricultural states must envision and inaugurate state plans of recovery and agricultural activity which is in harmony with the national effort.

(10) A moment ago, I referred to legal setbacks. Let me be a bit more definite. I do not align myself with those who indulge in

flippant or harsh assaults upon the courts and the Constitution. I have the utmost respect for both, and I accept unquestionably the high motivation of our courts' decisions. I look, also, to the Constitution as fundamental and as the bulwark of our liberties; I believe intensely in the doctrine of "granted powers," and the sovereignty of the states in their own fields of governmental activity.

(11) So thinking, I am one of those who believe that a remedy for our present troubles and a real approach toward the solution of our present problems can be found within existing constitutional restrictions and under its present provisions. Congress has immemorially enterprised and supported by appropriations efforts, through the agricultural department of the government, to increase production through the cultivation and distribution of improved seed, through the encouragement of improved methods in cultivation, through irrigation and reclamation, and many other activities, all in line with the trend of agricultural effort since Jefferson's time, to which I have referred. These have been undertaken and justified upon the theory that they had a constitutional background under which the government was able to protect and preserve the necessities of the then prevalent and accepted agricultural economy which suggested an increase in production. It seems reasonable to suppose, therefore, that when our national agricultural economy suggests a reduction in agricultural production we should be able to find constitutional means to effectuate these. So I am convinced that we can work out our destiny within the Constitution and without radical changing. More than this, I hold that it is not merely possible, but pressingly necessary that such remedies be found and adopted immediately and I have confidence that our national and agricultural leadership will be able to point the way.

(12) So I see in the present moment of disappointment and chagrin not simply disillusionment and despair but desperate challenge and the essential necessity for each of us to bend every effort of heart and mind to the task which is before us and the protection and preservation of the hope which has been ours.

(13) In North Carolina I have outlined a "Plan and Prosper Campaign" designed to fit the national scheme. We have been bringing, also, real thought and effort toward the amelioration of agricultural conditions and the relief of the farmer's burdens.

(14) Briefly, let me outline these. Land has been revalued and



reduced upon the tax books some \$900,000,000; real estate taxes lightened on an average of 33 per cent in the last three years and this in addition to a previous heavy reduction so that now the per capita burden on real estate in North Carolina is the lowest in the Nation; the public school, supported entirely by the State for the full eight months' term, has been carried to all the rural districts and every boy and girl in the commonwealth has the benefit and opportunity of this much schooling without tax on land; these schools for every boy and girl in the rural as well as the urban districts were maintained everywhere throughout even the darkest days of the depression and teachers' salaries though reduced were paid promptly and in cash; two hundred seventy-five thousand children are being transported daily to and from our schools at state expense—the largest school transportation enterprise in the Nation and more than one-seventh of all children transported in the Nation; in eighty million child trips in one year, there were only five accidents, none fatal.

A real effort to make lime cheaply available to all farmers has been launched in this administration, as a corresponding effort to reduce the cost of fertilizer generally. A fight vigorous and without ceasing is being waged against discriminatory freight rates which along with improved highway facilities follows the plan to facilitate and cheapen the progress of our crops to market, and a real program and progress toward rural electrification has been envisioned and enterprised. Above all, the present administration in North Carolina has been happy to promote and push every effort to increase prices to farmers for all crops, particularly tobacco, cotton, peanuts, and potatoes. These are a few of the things we are doing and trying to do for agriculture in North Carolina.

(15) In many of these, it has been a pleasure to have the assistance and friendly coöperation of our friends in South Carolina, both officials and private citizens. We have a common heritage, a common necessity, and common ideals.

(16) What have I said then—nothing of particular originality, but a little, I trust, of particular emphasis upon sound principles which poverty and privation and our ever mounting losses have pressed upon us cruelly in the years just behind. Ahead of us is a chance to test anew our willingness to make something of temporary sacrifice for the common good, to attain a long-time gain, and for the purpose of achieving a sound economy and an assured independence through the commonality of effort. If the



shadows of the great depression have dimmed our enthusiasm, have darkened our hopes, have converted apparently the brightness of our opportunities to the gloom of despair, can we not believe that under the power of sane planning and individual coöperation, our enthusiasm may be restored, our hopes revived, our gloom dissipated, and our despair overcome, and that we may come soon to realize that, after all, these have been but shadows which now happily are passing? It is not merely a sordid self-sufficiency which we seek, it is rather a humanitarian enterprise to liberate the people of our states from the peonage of privation which an unintelligent agricultural effort has imposed upon them and will continue to impose unless corrected. Let us give to the effort the best that is in us.

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## NORTH CAROLINA'S EDUCATIONAL CONDITIONS

ADDRESS<sup>1</sup> DELIVERED BEFORE THE NEW BERN CHAMBER OF  
COMMERCE AT THEIR ANNUAL BANQUET

NEW BERN

FEBRUARY 7, 1936

While of course admitting that in North Carolina provisions for our school or educational effort are not up to our desires or the deserts of our children and that it is imperative that we should continue to insist upon the enlargement of the educational opportunity until our children enjoy the fullest possible chance consistent with their needs and the abilities of our people, it is nevertheless interesting to note the very manifest fact that, so far as adequate provision is concerned, in comparison with other state governments, no charge of niggardliness can be supported. Indeed, when the percentage of its contribution is compared with the percentage of contribution for school support made in other states, North Carolina state government is pre-eminent in generosity, and any failure to measure up to spendings per child or otherwise in other states is evidently due to the failure of local contributions here to match local contributions elsewhere.

Some figures in this connection are most interesting. New York is perhaps the richest state in per capita wealth and per

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<sup>1</sup>This is only an excerpt of the address, as the entire address was not procurable.

capita earning power of any in the Nation, while North Carolina ranks far below the national average in both particulars. Yet New York state government contributes only a fraction over 33 per cent to school support and leaves a burden of over 66 per cent to be borne by the localities. The figures in other states, particularly neighboring states and states which are frequently compared with North Carolina, are interesting and revealing. The state government of Virginia contributes only 32 per cent, its local units about 67 per cent; in South Carolina the figures are 24.5 per cent for the state, 74.5 per cent for local units; in Tennessee 21.2 per cent for the state government, 78 per cent plus for local units; in Georgia 37.3 per cent for the state, 61 per cent plus for the local governments; in Kentucky 23 per cent for the state, 74 per cent for local governments; in New Jersey 19.7 per cent for the state, 80.1 per cent for local governments; in Kansas 1.7 per cent for the state; 98 per cent for local governments.

Occasionally we get a criticism from Illinois or with an Illinois background, but when we look at the record we find that in Illinois the state government contributes only 4.2 per cent, which is largely made up of property taxes imposed by the State, while the local governments are required to contribute 95.5 per cent. Worse still, we remember the collapse of the school system in its principal city of Chicago, and the United States government report on school finances in January, 1935, has the following, among other criticisms, to make of the Illinois situation:

State appropriations for the common school fund are about \$15,419,394 in arrears, covering unpaid portions for 1931, 1932, 1933, and 1934. Although an act has been passed reappropriating the amounts still due for 1931, 1932, and 1933, it is questionable whether any considerable part will be paid. The arrearage for the fiscal year ending in 1934 will be made up of sums transferred from the occupational tax, but the carrying over into the next fiscal year of the biennium does not answer the problem of the state's failure to meet on time its obligations to the schools. Nor has legal provision yet been made for avoiding a shortage of \$7,000,000 in the common school fund for the biennium ending June 30, 1935.

Compare these with the figures in North Carolina, where the state government contributes 90 per cent of school operating cost and the local units about 10 per cent, and in this comparison observe while charges of niggardliness are made against your state government, she contributes relatively nearly three times as much as New York; three times as much as Virginia; three and one-half times as much as South Carolina; over four times as

much as Tennessee; nearly three times as much as Georgia; over four times as much as Kentucky; over four times as much as New Jersey; over forty-five times as much as Kansas; and, bless my soul, about twenty-three times as much as Illinois. If the portion of Illinois's contribution represented by property taxes is eliminated so as to afford a comparable basis, the proportions nearly equal those of Kansas. So when our brethren from other states begin to point to the mote in our own eye, we can look with something of satisfaction at the beam in their own eyes.

Again, I emphasize, it is desirable and necessary that we do even more for education, as soon and as much as possible. I am only pointing out the fact that the charge that our state government isn't doing as much as other state governments or that the state government is destroying the school is not justified.

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## TOBACCO CONTROL AND A SPECIAL SESSION OF THE LEGISLATURE

ADDRESS DELIVERED OVER RADIO STATION WPTF

RALEIGH

MARCH 7, 1936

I am glad to have this opportunity to speak directly to, if not face to face with, the citizenship of North Carolina, and particularly to its tobacco farmers, and at the beginning I would tender my thanks to WPTF, the Durham Life Insurance Company's Radio Station of Raleigh, for its fine courtesy in making this possible.

The acute situation in the tobacco belts, growing out of the collapse of the AAA and the immediate prospect of another tremendous crop of flue-cured tobacco with its consequent low prices this year, has brought anxiety to all our hearts, and has necessitated serious thought and planning to meet the situation and prevent, if possible, the disaster that seems ahead, and has started talk of a special session of the legislature as a means of protecting us against this threatened calamity. As one who occupies responsible position and who has been active in efforts to bring fair prices for their products to tobacco and other farmers, I am particularly concerned and particularly anxious to help. And because I know that the farmers, recalling the past,

look to me in part for guidance, I am all the more anxious that I should not lead them astray or permit others in mistaken zeal or information to do so.

North Carolina, as the first state in tobacco production, is expected to lead but we must be sure to lead in the right direction. And, what is equally important, we must avoid trying to lead in a direction where there is no chance for progress or advance. We must recognize, as well, the limitations of the law, the legislature, and our own leadership.

There are before us now two problems: the long range problem which must be considered as permanent plans for protection, and the short range problem of what to do about this year's crop, which just now is on the verge of being planted. We have of course sufficient time to lay slow and, I hope, sure plans for future crops, but there is little time in which to plan and put into action measures to protect us on this year's crop and prevent over-production and resulting starvation prices. It is the latter situation that has led to the demands for a special session of our own General Assembly, upon the theory that with the legislature in Raleigh laws can and will be passed to protect us against an excessive crop this year, for the regular session next January will meet in ample time to take care of legislation necessary to control future crops.

The question to be considered now, therefore, is: can the calling of a special session of the North Carolina Assembly help to solve the problem of *this year's* crop—can it help to accomplish a control *this year* which will hold down the crop and hold up prices to growers? If so, it is justified; if not, there is no salvation here for our tobacco farmers, and the sooner we recognize it and get to work on other lines of effort the better it will be for us all. Let's look this question squarely in the face; let's divorce it from all other legislative or personal considerations, and let's answer it as honestly and practically as we can.

Great as are its prerogatives and powers and important as it is as a coördinate branch in our governmental setup, the legislature is not all-powerful nor can we find the answer to all our prayers in a legislative session. Like the executive and the courts, it has its limitations. The only suggestion now made to legislative action or its possibilities is that the Assembly could pass an act authorizing North Carolina to enter into a compact or agreement with other tobacco growing states to control this year's flue-cured crop, just as the Virginia Assembly has done



and just as is now pending in the legislature of South Carolina. So the question is: if our General Assembly should be called into special session can it pass a bill that will effectively control this year's crop?

Now, while there is much sentiment to the contrary, I think the greater number of our North Carolina growers would be willing to accept legal control of their crops this year even with Georgia outside and uncontrolled. And this notwithstanding the fact that all reports indicate that Georgia is preparing and is prepared to raise a hundred million pound crop this year; that last year the Georgia allotment was approximately fifty million but Georgia farmers sold seventy-two million; that though Federal authorities suggest a six hundred forty to six hundred fifty million pound crop as proper for this year (which, by the way, will about equal expected consumption), and though this would indicate a decrease throughout the entire flue-cured area of at least 20 per cent under last year's crop, Georgia's prospects are for an increase of 100 per cent over last year's allotment and 30 per cent over last year's farmers' sales; that the entire crop last year was originally estimated at from seven hundred to seven hundred fifteen million pounds and the final results counted over eight hundred million, involving approximately one hundred million over original estimates—due in large part to Georgia's increase. This large increase in Georgia last year greatly reduced the price of tobacco to growers and particularly to North Carolina growers, who suffered most in their early marketings, coming, as they did, immediately on the heels of the unusual Georgia increase.

But while North Carolina farmers might take a chance on Georgia this year, I find no one who is willing to take a chance with South Carolina or Virginia, or both, also left out of control. In other words, no North Carolina farmer wants his crop to be cut at least 20 per cent under last year while Georgia and South Carolina, and possibly Virginia also, are left free to raise what they please.

If our North Carolina legislature should be called in special session immediately—indeed, if it were here *now, today*, and passed the same law already passed by Virginia before midnight this Saturday night, what would have to happen before the law so passed had any power to control this year's crop?

First, Congress would have to authorize such compacts. The North Carolina law would not be worth the paper it was written

on "unless and until the Congress of the United States shall pass on an act consenting to the establishments of compacts such as are authorized by this act." This is the exact language of the Virginia law; that is the exact language, I am told, of the law to be presented in South Carolina. It is also the requirement of the United States Constitution, which provides that no state can enter into a treaty or compact with another state without the consent of Congress. So no matter what we wish or what we do, it is nothing "unless and until" Congress acts. No commission can be set up; no control exercised and no active steps taken without this all important congressional permission.

The Supreme Court decision striking down the AAA was rendered January 6th. Congress was then and still is in session. The Agricultural Department had previously announced its readiness for any eventuality, but until this morning or late yesterday it had not presented a bill to meet the situation or approved or indicated its willingness to support any resolution introduced. Today's papers tell us that it has at last acted and that the bills so approved will be immediately introduced. I am sure our congressmen and senators will give it their earnest support, but whether it can or will get through the congressional mill in time to help with this year's crop no one yet can say with certainty or even reasonable assurance. Congressman Cooley, recognizing the "many obstacles" to be encountered, wired me at 5:53 P. M. yesterday assuring me of his best thought and unwillingness to abandon hope; that the situation "does not appear very encouraging at this time" and that "frankness requires me to question the probability of the passage of effective legislation at this session." Our other representatives and senators are equally interested and coöperative and subsequent announcement of the department's approved bill improves the situation to this extent.

Secondly, before any control can be effective this year, under the terms of the Virginia bill not only North Carolina but South Carolina must also legislate in similar terms, and even then their act can become effective only (I quote), "if and when the Governor [of Virginia] shall find as a fact and proclaim that in his opinion effective means have been adopted to regulate any agreement or otherwise the marketing and sale of such kind of tobacco in Georgia substantially in accord with the quota and marketing provisions of this Act." In other words, before any steps can be taken under this act in Virginia not only must Congress, North Carolina and South Carolina legislate, but the

Virginia governor must find as a fact and proclaim that some effective regulation of marketing and sale has been set up in Georgia.

We thought after the conference last week in Washington that Virginia would be willing to take a chance on Georgia, for this year only or go into a control compact for this year without regard to what Georgia did, as everyone recognized that there was no chance for legislation in Georgia this year. My first advice as to this provision of the Virginia law came from Governor Peery of Virginia, when I called him over the phone Thursday of this week. He also sent me a copy of the Virginia bill, which reached me yesterday (Friday) at noon. This provision about Georgia was inserted by the Virginia legislature. I again called Governor Peery over the phone and told him I thought North Carolina would be willing to go into a compact, for this year only, without regard to what Georgia did, if Virginia and South Carolina went with her. I asked that he advise me whether he thought, in view of this attitude of North Carolina, the Virginia legislature would be willing to strike out this requirement as to Georgia. He promised to consult with the leaders in Virginia tobacco legislation and then to advise me, and after so doing, he informed me that they did not think it advisable to leave out all reference to Georgia, or to let Georgia go unrestrained, and they would not recommend any change in their law. The Virginia Assembly is planning to adjourn today.

I am told the South Carolina law will contain substantially the same provisions as Virginia's act, particularly on these points. It will be considered and probably presented to the assembly next Wednesday. By that date, or soon thereafter, we should know exactly what South Carolina as well as Virginia has done.

It is suggested that since we are the largest tobacco-producing state we should lead and others will follow. Unfortunately for this suggestion, there was no chance for North Carolina to lead in this legislation, since the proposed act was not completed by the United States Department of Agriculture until last week, and the Virginia and South Carolina assemblies were already and at that time in session. Besides, this is or must be a coöperative, not a competitive activity. As governor, I have repeatedly voiced my and our interest and our willingness to go as far as any in a coöperative enterprise.

What then can be accomplished by calling a special session



now? Manifestly nothing, until and unless we know with reasonable certainty how far the other states now actually in legislative session will go and also that Congress is going to act at this session and in time for control of this year's crop. Planting will start in Georgia, I understand, around April 1, in South Carolina approximately two weeks later, or about April 15, and in North Carolina around May 1. Unless Congress acts in time for a state setup to be accomplished by April 1, or thereabouts, there is, in the opinion of most observers, little chance to control this year's crop by legislatively authorized compacts, and we must seek other methods. I have, of course, waited on Federal action—announcing immediately after the Supreme Court decision that I desired to follow that. If the compact idea fails, we shall have to seek other means, and I want you to know that I have been thinking and planning for this eventuality.

The North Carolina State Grange is certainly a representative farmer organization. It has only the interest of the farmer at heart. The resolutions of its executive committee reported in today's papers asked for a special session if and when Congress acts. They say truly that unless Congress acts a special session, so far as tobacco control goes for this year's crop, will involve only money wasted, as any control legislation without this act (of Congress) will be absolutely worthless. There is no chance to "influence" the legislatures of Virginia and South Carolina by our action, as they are already in session and have or will have acted before our Assembly could possibly get here. Our own senators and congressmen are already interested and alert; it requires no special session to galvanize them into action, and our past experience does not encourage us to believe that the action of North Carolina's executive or legislative branch exercises much influence over congressmen and senators from other states.

Certainly I have no interest in this matter save a profound and consuming desire to do all I can to help the tobacco growers. I am willing to go as far as anyone in a way that gives reasonable promise of hope of success. I think I may say in modesty that my record in office proves this. I did not hesitate to close the warehouses in 1933, though that action was unprecedented, and you farmers will remember that it was your governor, not Washington, who first suggested crop control by contracts. At first, Washington hesitated and doubted on this point and was unconvinced about farmers signing. We insisted, and later Washington gave us full support, with fine results. If control by law proves



impossible for this crop, we must and will find ways to prevent the disaster that threatens, and I pledge you, each and every one, an earnest and, I pray, effective effort in that direction. I have no political or personal motive in this. I am not a candidate for any office. I have never tried to ride into political power on the backs of bent and burdened tobacco farmers. I am not playing politics in this, and I shall continue to protest against any other person or group trying to do so. Much of my time as governor has been spent in efforts, as you know, to improve agriculture and the farmers' condition generally—to increase prices not only for tobacco but for peanuts, potatoes, and cotton as well. I was with the first persons to carry these messages to Washington. I have labored to lower the taxes on our farms, and they are 33 $\frac{1}{3}$  per cent lower today than when I came here. I have tried to reduce the cost of your fertilizer. I have worked to improve your rural schools, and today they are the best and most uniform rural schools in the Nation. I have tried to give more of your children transportation to school, and we are carrying on today the greatest school transportation enterprise in the country—to give them their school books at lower cost, and through the newly set up rental system we are arranging to give you these at approximately one-fourth of what they used to cost; to provide for rural electrification, and more than a thousand miles of new lines were started this year. I have never yet led you tobacco farmers astray, and I am trying to keep my feet on the ground in this emergency.

Last year we protested against what we thought was an unreasonable increase in the crop. If our protest had been heeded, we would not have raised, as we did, the second largest crop in history and our present problem would not be so tremendous. It is not my fault that such a crop was raised or that allotments in Georgia were later abandoned so that they could sell 50 per cent more than originally allotted them and our North Carolina markets and earliest tobacco offerings paid the price for this. This is no time for politics, buck-passing, criminations, or re-criminations. I am not alarmed or concerned about who leads or who gets the credit or how much for what is done. What I want is results in prices; the other folks can take the credit if they wish. I promise you that I will do my level best in that direction.

Again, I want you to know that, in spite of dangers and serious threats in other directions to the welfare of North Carolina if certain politicians have their way, I will continue my efforts

to help the tobacco farmers of North Carolina and protect their interests.

Finally, let me assure you that if and when it becomes certain that compacts controlling this year's crop can be made effective, I will not hesitate to secure North Carolina coöperation by calling a special session. Meanwhile I ask that you continue to give me your counsel, your coöperation, and your confidence.

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## TOBACCO CONTROL

ADDRESS DELIVERED OVER RADIO STATION WPTF

RALEIGH

MARCH 16, 1936

Again my thanks are initially tendered to WPTF and the Durham Life Insurance Company for their courtesy and coöperation in according me this privilege. It is a fine manifestation of their own interest in the tobacco farmers' welfare and the desire on their part to help in so far as is possible in the present emergency. Just nine days ago or, to be accurate, on Saturday, March 7, I spoke to you from this station on the general subject of the tobacco situation and its relation to a special session of the North Carolina General Assembly. Then, as now, I was quite certain, as you are, of the very great danger that confronts the tobacco growers, particularly in the flue-cured area.

Final figures in stocks on hand as of January 1 show a staggering total of 964,000,000 pounds, the highest on record; final figures for last year's crop have not even yet been completed, but the last estimate of 802,000,000 pounds shows the second highest crop on record. With the stocks on hand at record figures hanging over the market and the prospect of an uncontrolled planting this year, the outlook for over-planting and consequent low prices is alarming. The emergency is such as to have precipitated a widespread request for a special session of the General Assembly to pass state compact legislation similar to that which has been enacted in Virginia and is now pending before the South Carolina legislature. Though pointing out that by the express provision of the Virginia law it could not be effective, nor could any commission control setup be organized thereunder until after Congress had passed an act authorizing the states to enter into such compacts, and though recognizing that according

to reports the South Carolina bill contains substantially the same provisions and limitations—and both acts require some organized control to be set up in Georgia also before they become effective—I stated my own willingness to go along with this movement and to call the General Assembly of North Carolina into special session, if and when it became clear that such legislation could be made effective in time to exercise a control of this year's flue-cured crop. In this connection also I pointed out, as you will remember, what seems to be generally recognized, *viz.*: that to have any effect upon this year's crop such control as is proposed must be set up and effective before April first, upon the supposition that this marks the usual time for planting in Georgia, and planting in South Carolina and North Carolina will follow shortly thereafter. As governor, I made it clear both to the Virginia and South Carolina authorities that as I interpreted sentiment in North Carolina our growers would be perfectly willing to proceed with the interstate compact plan for this year only, without regard to what was done in Georgia. Notwithstanding this assurance, however, the Virginia law includes the requirement that some sort of control be set up in Georgia satisfactory to the Virginia governor as a prerequisite to the Virginia act going into effect, and a similar provision, I am told, appears in the South Carolina law now pending, with the possibility of this being changed to require legal action by Georgia this year also.

I hope, therefore, that I have made it perfectly clear that I am completely willing to call the legislature of North Carolina into special session if and when it becomes manifest that some effective control through compacts can be established for this year's crop. No certain notice of a legislative session is required, reasonable notice alone being sufficient; so you will understand that we could have the legislature in Raleigh within forty-eight hours after the call. It is therefore important for us to watch progress in the South Carolina legislature and in the Congress with reference to compact legislation. If either of these do not become effective before April first, then manifestly no compact control is possible for this year's crop. With respect to possible congressional action before April first there is still some diversity of opinion. The fact remains, however, that up to this moment the Department of Agriculture has not given its approval to the compact authorizing bill introduced by Judge Kerr in the House and Senator Smith in the Senate, that the department has not yet secured the introduction of any measure which it approves

and that no bill authorizing compacts between states has yet been approved by the committees. This is not in any way intended as a criticism of responsibility, but merely as a statement of fact.

It is clear, therefore, that there is grave doubt of the possibility of compact legislation by Congress in time to help with this year's crop; and though we in North Carolina are ready to go ahead with a legislative call if and when it is certain that the Legislature can help with this year's crop, it is equally manifest that the chances of such congressional approval in time to help with this crop are daily becoming less and less. I am not abandoning hope; I am quite sure that our congressional and senatorial members will do all possible to expedite such legislation, so, without in any way suggesting or intending that there should be an abandonment of the state compact idea or a cessation or slackening of our efforts in that direction, I am quite certain that the time has arrived when we must begin to formulate and put into action some other plans looking toward the regulation of this year's crop, not as a substitute for the compact plan, not in any way in opposition to compacts, but as supplementary to this effort and to any compacts that may be arrived at in the future.

Having consulted many interested farmers and officials, I have become convinced that some steps must be taken immediately looking toward an effective sign-up campaign for this year and if possible that we should obtain something of stimulation for such a sign-up campaign by the announcement of a substantial and sufficient allocation of funds available for use in connection with the recently passed soil conservation measure, to make it manifestly to the farmer's interest to reduce his tobacco acreage this year and divert the acreage taken out of tobacco to soil-conserving crops.

It is manifestly necessary that no more than 70 per cent of the flue-cured base acreage as previously determined by the Agricultural Adjustment Administration be planted this year in tobacco in order that we may preserve a price level that will return to the grower a fair profit upon his investment and his labor. It is manifestly imperative that the 1936 crop be limited to not more than the annual requirements of the trade, which is approximately 640 million pounds, in order to realize upon this desire; and it is manifestly insufficient just to plant the same as last year and avoid an increase over last year, but it is necessary



that last year's acreage be substantially reduced to the 70 per cent as above indicated. If we can obtain an early announcement of the allocation of fifty million dollars out of the soil conservation appropriation for the assistance of the tobacco areas, such allocation, upon the basis of a billion-pound crop of all types, would be the practical equivalent of five cents a pound. A forty million dollar allocation would be the practical equivalent of four cents a pound. If the tobacco grower realizes that by cutting his tobacco acreage to not more than 70 per cent of the base acreage as previously determined he can put the acreage so retired into soil-conserving crops and receive for his participation in this soil conservation program the equivalent of four or five cents a pound, then a greater inducement to expedite the signing of crop reduction contracts will have been provided and his participation in this plan will be justified.

Having in mind such an enterprise, I ventured last week to make an appeal direct to our great President, who came to our relief and assistance once before. I earnestly requested in view of the fact that the mistake of the department in allocations last year had contributed so greatly to the excessive crop and the record of stocks on hand, and in view of the fact that tobacco, through taxes paid the government, contributed so greatly to the Federal treasury and will largely bear the expense of carrying on this soil conservation program, that such an allocation and an early announcement thereof would be more than justified. There is nothing original about this suggestion of a fifty million dollar allocation, and I have not claimed any credit for its origination. Our able representatives in Congress had discussed the matter and made similar suggestion as far back as March 2. To them is entitled all the credit for the evolution of this idea, and I certainly have no desire to deprive them of it. As a matter of fact, my appeal to the President was intended to be in assistance and support of their suggestion. My proposal is simply to get behind their idea and use it, if possible, as an inducement for an immediate and speedy sign-up campaign which we propose and must inaugurate whether we get the benefit of an early announcement of this allocation or not. My message to our congressmen and senators advising them of my telegram to the President expressly stated that I "feel sure that this plea, which is in accord with views previously expressed by our delegation and efforts which you have already undertaken in this direction, will meet with your approval." Certainly there is in this no sug-



Governor Ehrlinghaus at Mount Mitchell Reservation,  
June, 1935.



gestion of originality on my part and certainly there is here plain acknowledgment of the priority of congressional suggestion.

I must, however, dissent vigorously from the suggestion that now is not the proper time to undertake such allocation or that it can wait upon the completion of the entire farm program; or that the chief executive of a sovereign state may not make public plea to the chief executive of the Nation in behalf of his people for aid in a great emergency. And I am willing also to leave to the people of the tobacco territory the decision as to whether I have over-painted their plight and the desperateness of their present position. I assert emphatically that unless this allocation comes *quickly* it cannot help with our sign-up or assist in a conservation program for this year's tobacco area. I assert with equal emphasis that in view of last year's over-estimate and of what tobacco pays into the Federal treasury, this request is justified. Figures obtained from the collector's office in Greensboro show that for the fiscal year ending June 30, 1935, there was collected in the district of North Carolina a total of tobacco processing taxes of \$9,655,393.65; that under the Kerr-Smith tobacco sales act there was collected \$417,944.03, and from regular tobacco taxes the Federal government received \$230,978,890.57. That means a total collection in the district of North Carolina alone from all tobacco taxes last year of \$241,052,228.25. This same source discloses that tobacco tax collections from all sources for the entire United States for the same fiscal year amounted to a total of \$495,135,501.67. Surely, such a contribution to the Federal treasury by one crop justifies us in hoping and believing that an allocation of fifty million dollars from the half-billion fund should and will be made and made immediately to assist in the conservation of this area. I am happy to report that the governor of Virginia, alert as always to the situation and its necessities, wired promptly his commendation and assurance of coöperation and further advised that he has also wired the President in like tenor and particularly to the effect that "If the soil conservation measure is to benefit tobacco growers materially, sufficient funds must be allocated to induce growers to turn to soil-conserving crops."

What is the present plan of procedure which I am suggesting? It is simple and it is direct. It consists, for the present, in the following efforts:

First, no abandonment even yet of efforts to secure interstate



compacts. Our senators and congressmen, I am sure, will do all possible to expedite such legislation. But recognizing the necessary slowness with which congressional action proceeds and the grave improbability of accomplishment in time to be of assistance with this year's crop, we are suggesting by way of complement to this effort that we do certain other things, namely:

Second, urge upon the President, who has in the past proved himself to be our friend, an immediate and sufficient allocation of funds under the soil conservation program to induce farmers in the tobacco area to shift their acreage this year to other and soil-conserving crops, and thus hold down production this year at least to consumption levels.

Third, organize every interested activity: the Grange, the Farm Bureau Federation, our warehousemen friends, and all others, to assist in an immediate and effective sign-up campaign in this and other states looking toward a voluntary reduction of this year's crop to not more than 70 per cent of the flue-cured tobacco base acreage previously determined by the Agricultural Adjustment Administration. In this campaign we should have, and no doubt can obtain, the coöperation and assistance of the extension organization under Dean Schaub and his able assistants, the agents and officials who labor under the direction of our commissioner of agriculture, Honorable W. A. Graham, and the same officials in other states. We can enlist as well the sympathy and assistance, wherever practicable, of all farm groups and associations.

A tentative form of contract has already been drawn at my request by Honorable J. Con Lanier of Greenville, who is greatly interested and who has a world of experience in connection with these matters, both as an official in Washington and as a lawyer and substantial tobacco grower in Pitt County. The contract aims to protect also the small grower who cannot well cut below his present acreage. It provides that: "If the established base acreage of the undersigned producer is not more than four acres, he may, at his option, plant an acreage not in excess of his base acreage and that such planting by him shall be a full and complete discharge of the condition of this agreement."

Fourth, I am asking a small but representative group to meet with me here in Raleigh tomorrow at 2:00 P.M. for a consideration of these plans and the promotion of an energetic sign-up enterprise. Other steps are in contemplation, but for the present it seems imperative that we concentrate upon an effort, in support

of our congressmen and senators, to secure prompt and sufficient allotment, and that we push to prompt conclusion a sign-up campaign for this year's crop which will insure a reduction in the prospective crop to the equivalent of the year's consumption needs. Only in this way can the farmers hope to preserve the price level that will return to the grower a fair profit upon his investment and labor in 1936. Only through the efforts of the farmers themselves and an active and prompt coöperation can they be saved from the dangers which now threaten. The department in Washington has a large appropriation available to assist in soil conservation, and help from that quarter is possible if the suggestion of our congressional delegation is promptly carried out and immediate and sufficient allocation made. Such an allocation will do far more to aid in solving the relief problem in this area than any program of which we now know.

I refuse to notice press suggestions of quarrel between the governor and the congressional delegation. There is no quarrel, certainly so far as the governor is concerned, and if there is to be one, I can assure you of my willingness to call a special session if and when it becomes certain that a special session can accomplish something for this year's crop. As earnestly as I know how to do so, I assure you also of my personal willingness to see that personalities and politics are avoided. I beg that the tobacco enterprise be considered without regard to any other personal or political questions, and that all in responsible positions or in the place of opportunity give themselves wholeheartedly to an effort to solve the present difficulties and bring something of assurance for fair prices for this year's crop. Farmers, friends, officials, businessmen, citizens generally, we must get together or the State as well as the tobacco growers will suffer. I have followed and will continue to follow Washington leadership as long as it promises hope and success in this enterprise. It is no time to chase rainbows. Since there is grave danger of collapse of the compact idea so far as this year's crop is concerned, we cannot delay longer in making other plans and proceeding with them so as to insure, if possible, something of present realization upon our hopes. In this enterprise and to the service of this cause we can all give our best. I pray God it may be effective.

JEFFERSONIAN TRADITIONS AND  
THE NEW DEAL

ADDRESS DELIVERED AT JEFFERSON DAY DINNER

GRAND RAPIDS, MICH.

APRIL 13, 1936

I should be less than human if I did not acknowledge most gratefully the courtesy and cordiality of your reception. You have made me feel quite at home in a city far distant from my own capital and you have proven afresh the universality of the bond of Democratic faith, friendship, and fellowship. And I feel with you a surge of pride as I contemplate the history of this great and beautiful State, a history so distinctly American, so definitely a part of the American drama of democracy. As I recall, this territory was discovered by the white man about 1610 and its early history, so full of conflicts with the Indian aborigines, reveals a glorious story of pioneer sacrifice and steady progress to a great statehood. It is so much like the history of the particular section of my own state from which I hail as to be particularly fascinating to me. I find hereabout the same plethora of Indian names, the same prevalence of English ancestry, the same democratic traditions, as I find in my native Albemarle. And, in spite of occasional fallings from political grace and the admitted brilliance and capacity of local Republican leaders, I note and here would emphasize that you in Michigan today have indeed a Democratic, a Jeffersonian tradition. To the great man whose birthday we celebrate tonight you are indebted not merely for the inspiration and life-giving power of his philosophy and the saving grace of his confidence in the common man, but you are particularly beholden for much of your own political history and for his personal participation in events which constitute great milestones in its progress.

It was Jefferson and the Democratic party, you will recall, which gave to Michigan its first governor, its first judges, and its first legislative tribunal in the person of these judges. It was Jefferson and the Democratic party which gave to Congress in 1804 the report of your land grant situation which resulted finally in Michigan's territorial organization. It was under a disciple of Jefferson and under Democratic auspices that Michigan was finally admitted as the twenty-sixth state in the American Union and launched upon its great career as a sovereign par-

ticipant in the great Federal government. It was Jefferson and the Democratic party which designated that great Michigan pioneer and patriot, Colonel Lewis Cass, as your second governor and thus inaugurated his memorable eighteen years of honorable and distinguished service in that capacity. And, finally, it was that other great Democratic leader, Andrew Jackson, who in 1831 brought this distinguished soldier and statesman to Washington as Michigan's first Federal cabinet officer.

As one who was born and reared in Democratic faith and tradition, in the face of such a record, I knew before coming that, in spite of certain incumbrances and the fact that there is here strong Republican faith and activity, I would find in this great old commonwealth a militant and determined Democratic activity and an abiding confidence in its ultimate triumph.

So, first of all, permit me to pay my tribute to your great State and its leaders, Republican as well as Democratic, to those who in conscientious political conviction have written the glorious pages of its history and have brought it to the eminence of its present proud position; to this wonderful city, its energy, its enterprise, its charm, and its altogether delightful hospitality and environment—and lastly, in keeping with the motif of the occasion, to the great leader and champion of the people, whose faith in man and whose regard for human rights sounded a new note in American political philosophy, to Thomas Jefferson, third President of the United States, founder and patron of Democracy and friend of all men everywhere.

On such an occasion, to be sure it is not improper that we discuss in frankness and fairness, I hope, some of our present-day problems, with particular relation to their political aspects. I start out by saying without shame or subterfuge, but rather in robust pride and confidence, that I am a believer in what is generally denominated "the New Deal" and a conscientious objector to the old, and further that I am convinced that the most fortunate event in the recent history of the American Republic was the elevation to the high office of President in March, 1933, of that great present-day leader of the people, Franklin D. Roosevelt. And because it is the most recent, authoritative, and responsible attack upon the present administration, my attention tonight is focused upon the address of former President Hoover, delivered at Fort Wayne on April 4 on the subject of the New Deal and its relationship to our national problems.

I quite concur in his initial statement that "the essence of a



free government is debate" and that this debate, when indulged in by responsible party leaders or officials, should be elevated to a high plane. It is in that spirit that I would submit something of reply to some of his utterances and in the confidence that they are appropriate to this occasion and the consideration of interested and conscientious citizens who just now are looking forward to the campaign ahead.

In his use of the terms "smoke screen of personalities," "squirt-guns of propaganda," and "phantasmagoria of propaganda" in the opening paragraphs of his utterance, I can see no particular evidence of a personal desire to refrain from the sort of debate which he condemns or evidence of an intention to carry on in the spirit of "bold answer of responsible leaders expounding their point of view and offering their solution."

Unfortunately for the able and informed former President, who still occupies the position of titular head of the Republican party, there is no "phantasmagoria" or illusion about the desperate situation which obtained throughout the Nation on March 4, 1933, when his term of office ceased and that of his successor began. No effort on the part of Mr. Roosevelt was necessary to convince the American people that the Nation was figuratively "in ruins" on that dismal day. And the suggestion that a "parade of bank depositors greeted" the new President's inauguration hardly accords with the facts. Any informed person—anyone save perhaps Mr. Hoover—with any recollection of that day and the dark days which immediately preceded, appraises that dismal parade not as a greeting to the new President but as a parting salute to the old or, to be more specific, it marked the final tribute to Mr. Hoover himself, who unfortunately had won for himself in the public estimation the designation as Chief Apostle of Prosperity-in-Reverse.

His pathetic suggestion that in June and July, 1932, America was "shaking itself clear of the depression" and that "prosperity had actually swung around the corner and was on its way up the street of our National Life" but was "detoured" and "skidded" by Mr. Roosevelt's election and inauguration or by his failure to answer Mr. Hoover's letter of February 17, 1933, is pitiable to say the least. Indeed, taken in connection with other statements it admits too much, for Mr. Hoover himself says that on this February 17, "it had become apparent that a panic was inevitable." His suggestion that this panic—two weeks off—could have been averted had Mr. Roosevelt immediately prom-

ised "to keep his campaign promises, immediately balance the budget, and give assurance against tampering with or inflation of the currency," approached the ridiculous. To be sure, Mr. Hoover does not expect the public to believe that it was fear of Mr. Roosevelt that brought on the banking collapse; that is straining the people's credulity a bit too much. To be sure he has not forgotten that the speculative mania, encouraged by successive Republican administrations, the stock market crash, and the other signs and realities of the depression had not only manifested themselves but made their bloody marks upon the people long before the indignant electorate swept Mr. Hoover out and Mr. Roosevelt into office in the 1932 battle of the ballots. And when in the knowledge of this popular repudiation and this unprecedented protest against an administration that had both contributed to the collapse and done little or nothing to correct it, he raised a feeble voice in farewell suggestion that his successor speak before an assumption of responsibility, it did but give tragic confirmation of the popular verdict of his incapacity either to appraise or alleviate the Nation's problems.

And if there was panic, as most certainly there was, and if, as Mr. Hoover suggests, there was prosperity before he began his office, and if, as everyone knows, there had been full Republican responsibility for twelve years before his term of office closed, and if, as our Republican friends have preached from time immemorial, the administration in power is responsible for the economic condition of the country, then the responsibility for this cataclysm is definite and determined, and our Republican brethren "cannot shake their gory locks at us (Democrats) and say we did it."

Mr. Hoover apparently could not envision the possibility of the "tramp of revolution," but he was able to sense the necessity to call upon Federal troops to disperse the peaceful bonus marchers. Mr. Hoover, in the brilliance of after thought, can appraise "depression causes" and prescribe the "real cure." Yet in forethought he failed utterly and repeatedly to say a word to stop "the boom with spreeds of speculative greed" which had long been in progress and which had been repeatedly bolstered by encouraging executive statements since the advent of the Coolidge era. Mr. Hoover can now recognize that this over-speculation, which used up credit reserves until brokers' loans exceeded the total amount of available currency, was one of the causes of the depression, but he failed to utter a word of protest against the en-

couragement of the bull stock market given by his predecessor or a word of warning against the wreckage which he later encountered. Mr. Hoover complains bitterly at the loss of foreign markets to American producers but forgets that against the protest of hundreds of disinterested economists, he insisted upon signing the most notorious tariff bill ever enacted by an American Congress—the bill which carried his favorite doctrine of protection to heights so extreme that it toppled overnight in the face of retaliatory legislation by foreign countries. Please do not misunderstand me: I do not think or charge that the depression was caused by any one or two causes only, and I do not mean to lay the entire blame for it upon the threshold of Republican officialdom. However, I do believe, and the American people believe—and I make bold to say that this tariff bill which played havoc with our foreign trade, and this administrative-encouraged and prolonged stock market boom—were two of the outstanding contributing causes to the ultimate debacle, and for these actions by responsible Republican officials, including the former President himself, and for their results he and his party must accept and bear the blame.

The former President speaks contemptuously of "Chanticleer crow"—his claim of "credit for the rising sun"—and attaches this criticism to the President's statement, "we planned it that way." Even if it be conceded that, as Mr. Hoover said in December, 1930, "economic depression cannot be cured by legislative enactment or executive pronouncement," the former President seems to have forgotten his own utterance at Newark, New Jersey, on September 17, 1928. In speaking of what he was then glorifying as Republican or Coolidge prosperity, he said, "this recovery and this stability are no accident. It has not been achieved by luck," and then proceeded to give credit for it to what he called "sound governmental policies and wise leadership." It would seem, therefore, that it depended altogether upon "whose baby has the measles." In the estimation of the great engineer and by his example, it is entirely proper for him to suggest that then apparent prosperity was the result of Republican planning—"sound governmental policies and wise leadership"—but when the deluge and the desolution came it was most improper to charge these to governmental policies or political leadership; and when in the succeeding Democratic administration there appear manifest evidences of recovery and restoration, it is "Chanticleer's crow" for his successor to venture a



suggestion that this is a result of planning. Consistency, thou art a jewel! The Persian poet is not the only one to counsel to "take the cash and let the credit go."

And when we get around to discussing the question of promises kept, what indeed of criticism can be said on this subject by a man who promised or connived at promises of "a chicken in every pot," "two automobiles for every garage," who on October 22, 1928, at Madison Square Garden declared that "continuation of the policies of the Republican party is fundamentally necessary to the future advancement of this progress and to the further building up of this prosperity," who on October 26, 1928, at Elizabethtown, Tennessee, stated that "As never before does the keeping of our economic machine in tune depend upon wise policies in the administrative side of the government," who accepted in confidence, if not modesty, the promise of his vice-presidential running mate at Gary, Indiana, on October 5, 1928, "If you want to continue the prosperity of the administrations of Calvin Coolidge, vote for Hoover," and who himself, in accepting the Republican nomination on October 12, 1928, promised the people, "we in America today are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but give us a chance to go forward with the policies of the last eight years and we shall soon with the help of God be in sight of the day when poverty will be banished from this nation." He got that chance, but in the light of this utterance and what subsequently happened, I tremble lest Mr. Hoover should unthoughtfully shift responsibility to the shoulders of omnipotence and charge the results to heaven's failure to cooperate. However, I wonder just what the jobless and starving millions of the Nation, bitter and burdened casualties of a depression which has outlasted the seven lean years of Pharaoh's plague, the millions dependent upon relief for the bread that even now stands between them and starvation, and the famished little children of this generation—I wonder, I say, what these think of this critic himself as a keeper of promises.

Mr. Hoover lists specifically eleven problems which he says have not been solved by the New Deal, but the strange thing is that each and all of these problems arose out of or first assumed magnitude in the preceding Republican administration. Having reared a brood of incorrigible brats and having failed utterly himself either to correct or control them, he now complains be-



cause the New Deal, in three years of its administration, has not completely mended their manners and worked an absolute reform. Let's take a look at these problems, and each of them, in the order in which they are listed by him:

(1) Unemployment. When did it first become a serious problem? Mr. Hoover himself answered that question in a campaign address at Newark, New Jersey, on September 17, 1928, in which he stated that at the time the Republican party "assumed direction of the government in 1921, there were five to six million unemployed men upon our streets." In his recent speech at Fort Wayne he stated that there were eleven million six hundred thousand unemployed men when he went out of office. And when he complains that a million more have been added during the three years of Roosevelt, he ignores the fact that during his own incumbency and that of his predecessors the figures rose from these five or six million to eleven million six hundred thousand, or more than one hundred per cent. I could, therefore, well leave to his own figures the question of which administration has sinned most in this direction. Even if you accept his suggestion that this problem was a legacy from Wilson or the War it would seem poor grace for him to complain that the Democrats have failed to correct in three years what, during twelve years of Republican administration, under Harding, Coolidge, and Hoover, grew steadily worse. As a matter of fact, however, Mr. Hoover's suggestions do not accord with reliable figures. These show that on April 1, 1930, unemployment figures were 3,188,000. On April 1, 1933, they had increased to 13,178,000, an advance of 313 per cent. Such was the Old Deal. Between April 1, 1933, and December 1, 1935, these figures shrank to 9,177,000, a decline of 30 per cent. Such is the New Deal record.

(2) Relief is the second unsolved problem listed by the former President. In the war on distress and poverty and unemployment, we can admit that there have been mistakes and some waste. What war has ever been conducted without these, which are the necessary concomitants of haste and broadened action? And is not the magnitude of the problem as sketched by Mr. Hoover himself on a par with war? If the last war claimed its thousands of casualties, the great depression has destroyed its tens of thousands. It has outlasted the seven lean years of Pharaoh's plagues. It has crushed fortunes, destroyed activities, wasted health, saddened and starved men, women, and little children by millions. It has cost a large amount to fight it and

there will be many millions more spent, no doubt, before we have achieved something of victory over it, but I for one thank God that in the face of starvation and need and suffering we have not stinted nor waited too long for relief to be of service.

(3) Reduction in public expenditures is the third problem listed. It is an age-old one and age-long experience shows that the cost of administration and of conducting a public business rarely goes down and almost invariably goes up with expanding needs and activities. In simple fairness it should be stated that the President's promise of reduction, which Mr. Hoover quotes, was made in the summer of 1932 at a time when even Mr. Hoover was promising that prosperity was "just around the corner" and when every Republican official, from Dan to Beersheba, was filling the air with similar assurances. No human being could then foresee the utter collapse which was to end in what Mr. Hoover himself admits as panic, or foretell the black day when every bank in the Nation was closed and despair gripped the hearts of all citizens in the icy consciousness that the ultimate in the depression had been reached. And if in the war on this problem, which arose largely out of previous administrations, expenses went up instead of down, does it lie in the mouth of the man or the party which helped to create it to complain that the cost of its solution or alleviation is greater than we expected? What right has the man who started a smallpox epidemic to quarrel at the medical bills which it entails?

(4) The national budget is yet unbalanced, says Mr. Hoover, and the public naturally asks: When did the budget first get unbalanced? Not under Roosevelt, but under Mr. Hoover himself. And if he started his administration in prosperity and with a comfortable balance, and ended in dark depression with a substantial deficit, is he the one to quarrel at Roosevelt, who started with depression and a deficit and is now slowly approaching and will end his service, we may be assured, in business activity and a balanced budget?

(5) But the dollar has been unstabilized, he complains, not only at home but abroad. This unbalance became manifest in world markets during the preceding and before this administration. But since Mr. Hoover, in this very speech, states clearly that he is not advocating the return to the "100-cent dollar," what need is there for further justification of the wisdom of the President's views?

(6) The credit system, he suggests, was greatly strengthened under his administration with a view "to placing the shield of federal credit in front of industry and agriculture" and he lists, in manifest pride, the various agencies set up for this purpose. Then, after the word of praise for that service and the statement that "The New Deal has used and expanded every one of them," like a pessimistic raven he gloomily queries: "Has the credit problem been solved?" Here is a pretty case of "be damned if you do, and be damned if you don't." For "using and expanding" his own agencies and suggestions, like a gloomy gus he hurls criticisms—for bringing the agencies, which he proudly claims, nearer to a capacity to fulfill their mission, he rails at us who have built with his own bricks—this in the name of constructive criticism.

(7) An enlarged bureaucracy is the next item in his bill of particulars. But he apparently forgets three things: (1) That his own profligacy in the creation of new commisisions and bureaus set an all-time record for enlargements in normal times which the trifling last-minute reductions could not possibly efface; (2) That those of which he complains are due entirely to an emergency to which he and his party contributed; and (3) That already, with the approval of President Roosevelt and under the able guidance of that experienced statesman, Senator Byrd, steps have been taken and a survey begun to reorganize and contract these agencies and activities just as quickly and completely as time, the emergency, and adequate government functioning will permit.

(8) Mr. Hoover's treatment of the problem of monopolies is ingenious, but it is equivocal. With his mere *ipse dixit* he would consign the NRA activity to the category of Fascist inventions and damn it with the name of their chief. Not even Mr. Hoover can or will question the high purpose of the NRA, nor can he dispute that, without regard to the question of its constitutionality, it brought about a higher scale of pay and better working conditions for those who labor. And even now, when it has ceased to function, the high morality of this effort has been more than justified in a very substantial continuation of its benefits and standards through state legislation and voluntary action. In an application of the highly justified and judicially enunciated "rule of reason" to certain price-raising as a means toward increasing wages, no new monopolies, in the commonly accepted meaning of the word, were set up and no new ones remain to

plague us now that it has ceased to function. We have only the same old monopolies that blossomed and thrived in the never-to-be-forgotten days of normalcy. The man whose pay envelope was enlarged, whose burden of labor was lightened, and whose working conditions were improved by NRA and who, because of state legislative action or industry's unwillingness to abandon these accomplished reforms, still enjoys them in whole or in part—this man is not rejoicing at the demise of NRA. Instead his voice intones a song of sorrow.

(9) The tariff. Ah, here's a subject for you, and one on which the former President is well qualified to speak along certain lines. For the American people have not forgotten, if he has, the desperate effects of the Republican tariff bill which bears his name and signature. They remember, too, the frantic appeals of impartial economists, educators, and experts of every political faith, which were aimed at him; they recall the round robin signed by over a thousand of these distinguished citizens beseeching him not to sign this crowning crime of the protectionists. They remember how he turned his back upon these pleas and warnings and they recall the quick and desperate reaction to this most vicious of tariffs, a reaction which took the form of retaliatory legislation by more than fifty foreign nations and resulted in the utter collapse of our foreign trade. Between January 1, 1930, and January 1, 1933, exports declined from \$3,843,-000.00 to \$1,675.00, a drop of 56 per cent.

And as to the much heralded non-partisan policy which was set up during his incumbency, the people have, too, a very definite recollection of just how non-partisanally it functioned—particularly how non-partisan it was in its capacity to recognize a necessity for rates to go up and in its inability to see reasons for them to go down. And tell us, pray, what party was in power when "the orgy of greed and privilege" to which he refers was in progress. Surely there is no more outstanding example of such legislation anywhere and at any time than this tariff act that bears Mr. Hoover's signature and against which such universal protest was lodged.

There are millions who believe, and will always believe, that this piece of legislative perfidy was the final force which brought on the great depression—the last straw which broke not only the camel's back of foreign complaisance but the heart and the fiscal health of the Nation. May I remind you men of Michigan of these figures with reference to exports originating in your own State.



In 1928, the last year before Mr. Hoover was inaugurated, exports originating in Michigan amounted to \$367,253,146.00. The next year they dropped to \$355,300,020.00; in 1930 they fell to \$184,353,941.00; in 1931 they slid to \$83,453,736.00; and in 1932 they faded to \$48,922,565.00. Here is a striking example of arithmetical retrogression resulting largely from national policies. Michigan industries are invited to look at their own books and compare the figures with those under the New Deal. I have not the figures for your State, but between January 1, 1933, and December 1, 1935, national exports advanced from \$1,675,000,000 to \$2,228,000,000, or 33 per cent. Compare this New Deal figure with the Old Deal decline of 56 per cent.

(10) The problem of agriculture has not yet been solved, the former President suggests or complains. No, and it probably never will be, though we have learned very definitely in these dismal days the necessity in agriculture, as in industry, of applying the principle of coöperation to the problem of production. Industry has long and carefully estimated consumption needs and bent its energy to the maintenance of a comparative balance between these and production, having always a due regard to stock on hand. Just how this is to be accomplished in agriculture, no one has yet discovered. Personally I believe that the long-range problem will be solved finally on the basis of a balanced production program for the individual farm, with primary emphasis on the necessity for crop rotation, soil conservation, family and farm necessities, and state needs, and governmental premiums for coöperation with such a program. However, an honest effort has been made, on a constitutionally debated basis, with results that are significant and largely satisfactory and of which this administration need not be ashamed. In January, 1933, corn was selling at thirty-three cents per bushel; it now sells around eighty cents. Wheat was selling at forty-three cents, whereas now it brings around ninety-five cents. Steers which brought \$5.00 per hundredweight at that time now bring \$12.00. Hogs which sold for \$2.94 per hundredweight are now selling for \$9.00. Cotton, which was bringing five cents a pound, today brings eleven cents to twelve cents. Tobacco, which sold at ten cents, now averages from twenty cents to twenty-seven cents. Wool, which brought eighteen cents, now sells for twenty-five cents. Butter, which then commanded eighteen cents, today brings twenty-nine cents. Cheese, which then sold for twelve

cents, today brings seventeen cents. And flour, which then brought \$3.80 a barrel, today costs \$7.16. And so it goes.

Mr. Hoover may tell himself, or the people over the radio, that nothing has been done by this administration for agriculture. He cannot tell the farmers that—they know, they understand, and they will vote accordingly. I ask merely that Michigan farmers compare farm returns under the Old and New Deals.

(11) Social security is listed as an unsolved problem. It, too, is as old as the ages. Mr. Hoover admits that some legislation has been enacted. He complains, however, that there are still millions without jobs and that there can be no security as long as this condition exists. He cannot get up an argument on this subject, for it will be universally conceded that substantial progress must be made in providing jobs for those who desire to work before there can be real social security. But having himself added that there were over eleven millions out of jobs when he quit, what basis of fact can he suggest for criticism or comparison of the unemployment problem under the two administrations?

The former President lists briefly and without specific comment several other problems, some of which are always with us. Perhaps he was quite wise in refraining from extended comment with reference to the banking problem. The collapse of banking facilities throughout the Nation in the last days of his incumbency brought him and his party the unenviable distinction of political responsibility on one of the Nation's darkest days. How the spirit of Alexander Hamilton must have suffered and must still squirm in contemplation of this castastrophe during the incumbency of his professed followers!

The mess of Republican mismanagement has not been completely cleared, but we Democrats at least can claim credit for a brave and honest effort to bring order out of chaos. And am I not correct in suggesting that all of us know that with our banks overflowing with cash and our credit reserves at peak levels, it is only a matter of brief time when, whether we wish it or not, industry and business activity will be compelled to take on added briskness and give new impetus to the present steady but unmistakable forward march? Then will be ushered in the dawn of that day we "long have sought and oft despaired of." These great credit reserves cannot remain idle indefinitely. A bit of push, a bit of pluck, and a bit less of political hesitancy, and the

recovery will be complete, and when it does come, you may rest assured the flag of Democracy, held aloft by the steady and saving hand of our President, will be flying proudly in the breeze, and the spirit of Jefferson will exult in the triumph of his principles and their application in the accomplishment of a better day. It was in 1925, I believe, that your distinguished and learned fellow townsman, Senator Vandenberg, indulged his unusual literary talents in penning a treatise which bore the alluring title "The Trail of a Tradition." In the days ahead I think I can discern a challenge to these capacities to give the public another effort with the same title. This time he will be able to trace the trail of one tradition to "journey's end" and in that day all will recognize that the traditions of the Old Deal have come to the end of the trail.

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## TOBACCO CONTROL LEGISLATION

ADDRESS<sup>1</sup> DELIVERED TO THE FARMERS ASSEMBLED IN THE  
STATE COLLEGE STADIUM

RALEIGH

APRIL 21, 1936

*Mr. Chairman, my farmer friends:*

I am sure that you realize that the hour is late, but the courtesy with which you have received me I think I can interpret as a guarantee that you will hear<sup>2</sup> me through in what I have to say and I promise you that I shall not consume as much time, certainly—though perhaps not as pleasantly—as that which has been consumed in presenting the petition to me by my friends this morning.

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<sup>1</sup>This address was delivered extemporaneously. The copy printed here is a stenographic report of the address.

<sup>2</sup>Some of the farm leaders had been urging Governor Ehringhaus to call the Legislature into special session to enact tobacco control laws because the Agricultural Adjustment act had been declared unconstitutional. Governor Ehringhaus had refused to yield to their demands. On April 15 a mass meeting of the farmers was held in Greenville. J. E. Winslow, president of the Pitt County Farm Bureau, presided over the meeting. It was estimated that five hundred farmers attended the mass meeting. While presiding over the meeting, Winslow said, "In passing the soil conservation bill after the invalidation of the AAA, the intention of the folks in Washington City was for the states to step in and give this [legislative] control feature." During the meeting W. H. Dail, Jr., said, "that Governor Ehringhaus has opposed the will of the majority of the State's farmers in failing to call a special session to enact tobacco control legislation . . . now let's see who's the biggest. Let's make demands on him [Governor Ehringhaus] for it [tobacco control legislation]. Now is the time to win or be defeated." *The News and Observer*, April 16, 1936.

On April 18 Governor Ehringhaus accepted the invitation to address the assembled farmers. In accepting the invitation he said, "I will be delighted to meet with the tobacco growers here on Tuesday and sincerely hope and invite representatives from every county and section interested to be present when I shall have opportunity and propose to acquaint them fully with the facts in the present situation." *The News and Observer*, April 19, 1936.

The Council of State was invited to attend the meeting.





Governor Ehringhaus congratulates his son, J. C. B. Ehringhaus, Jr., in September, 1936, just after he was sworn in as a lawyer at the courthouse in Elizabeth City, where the governor, also, took his oath.





I want you to know that I think I thoroughly understand what is in your minds and hearts, and I want you to know that the same desires and the same motives and the same inclinations which are in your hearts find an echoing response in mine. You have made it perfectly clear that you want an effective, or as some say, an absolute (I believe I quote the language of your chairman, Mr. Winslow) control of the crop for this year. That, I understand is your desire.

I say to you that I would like to have the same thing and that I am quite in accord with that sentiment, and because you have been good enough, through some of your speakers as well as through your own expressions, to indicate that you have something of a feeling of gratitude to me for the small part I have taken in past efforts to help you, and because you have given more than once manifestations of your confidence that I would not lead you astray, I feel more keenly the challenge to my conscience under my God to speak to you plainly and tell you the whole truth about the present situation, believing, in the language of the Scriptures, that if you shall know the truth, the truth will set you free.

I want you, my friends, to become acquainted with what this bill, which some mistakenly seem to think will effectively control the tobacco crop for this year, really provides. I want you to know or rather to gather some familiarity with that bill, for I am convinced you do not know it from what you have given expression to this morning, and I am thoroughly convinced that many of those who have spoken have never read a line of the bill or they could not have given expression to some of these thoughts. I have given copies of this bill as proposed by the Department of Agriculture, which was somewhat slightly changed by the Virginia Legislature, to the press. They have it in its entirety. It is a little long and perhaps that is the reason it has not been printed in full, but I have brought out here today some two thousand copies of the model law, which you may have. And one thing above all else that I want you to do is to look at it and read it for yourselves and not take my opinion of it or anybody else's opinion, but read it for yourselves—that is all I want. And I make this request, my friends, because, while I am interested in the tobacco growers in every section of the flue-cured and other areas, while I am anxious to help in the present, as in the past, all of those who till the soil in raising the weed, I confess without shame to you here today that I am more inter-

ested in the tobacco growers of North Carolina than I am in those of any other section. And it is because I have a very definite opinion, having studied this bill carefully by day and by night, that there is grave danger of a gross injustice and wrong being done to the tobacco growers of North Carolina that I have decided to speak to you today in frankness and ask that you hear me patiently and then investigate for yourselves before you make up your mind. I have a rather definite recollection, as do you, that in the time gone by the problem that pressed upon us most keenly was the problem of cotton control rather than tobacco control, and I remember, as you remember, that in that time North Carolina and her cotton growers responded splendidly and enthusiastically to requests for a voluntary curtailment of their crops. We cut our cotton acreage year after year and finally we had cut it forty-five per cent and reduced our production in cotton to less than a million bales—in round numbers, seven hundred fifty thousand bales. And while we were cutting, the growers of cotton in other states were creeping up on us, increasing their crops and taking from North Carolina farmers the position in cotton production markets they had occupied before. And when control finally came, North Carolina was prejudiced in the allocation of her acreage by what she had voluntarily done before, and those states in which production had been increased got the benefit of their selfishness through the loss of North Carolina cotton farmers. I don't want any such thing as that to happen again in North Carolina, and particularly to happen with reference to tobacco. We produce five-sevenths of all the flue-cured tobacco and we are entitled to have our rights protected. We want those in other states to have all to which they are entitled, but we also want North Carolina tobacco farmers protected in their rights.

Now, hear me, if you please, with reference to the present situation. I want you to know exactly what the situation is in your State and I say to you that, if you will study this bill that is presented, you will be surprised to know what it does really provide, and I doubt whether there will be so much of unanimous sentiment in calling for it because while you may be at present inclined to think you want this bill, you certainly are entitled to look at it and know what it contains before you make up your minds. You say you want absolute control. You say that you want effective control. I tell you, and I challenge any man who has read that bill to deny—any man with three grains of legal

sense or experience—that under the bill as it has been passed by Virginia and as it is proposed to present it to the legislature of North Carolina, instead of controlling production you have absolutely no control. The old Kerr-Smith bill as you remember, and reference has been made to it, provided that a man couldn't be both inside and outside of contracts, and we were rejoiced to have that because as your first spokesman, Mr. Cox, said we do not want to miss a chance to protect ourselves against the non-coöperating or speculative buyer.

Under the law as Virginia has passed it, and as the model form presented by the Department of Agriculture has provided, unless something else is done about which I shall tell you later, there is no control on any farmer's planting and growing and marketing just as much tobacco as he pleases, whatever his quota may be. Now, that surprises you; but you take the law and look at it. You take the law and look at it, and you will find that its only penalties are in sections 17, 18, and 19, of the bill. I have copies of it. I wish I had time to read them to you in detail, but you can read them for yourselves if your good newspapermen will take the trouble to print them, or if you read the copies which I have over here and which are ready for your inspection. Sections 17, 18, and 19 in the original bill are sections 18, 19, and 20 of the Virginia act in the corresponding sections. The only penalties provided in this bill are, first it provides a fine on the man who doesn't comply with the law in marketing his tobacco and paying a tax on the excess. It provides that he is guilty of a misdemeanor and it subjects him to this terrific punishment—a \$10.00 fine for the first offense and a \$25.00 fine for subsequent offenses. I ask you, out of your experience, don't you think I am right in saying that that measly fine and provision which is already the law in Virginia will have just about as much effect on controlling a farmer's actions as blowing soap bubbles in his face would have? A \$10.00 fine for the first offense! Then it also provides that he may be subjected to a suit for penalty of three times the value of the crop, which suit shall be brought or can be brought by the prosecuting officers in a territory and which may take from a year to two or three years to try. There is one other penalty provided; that is, that he must pay a tax of not less than twenty-five and not more than 50 per cent of the value of the excess tobacco which he offers for sale—not a tax on all he produced, but just a tax on the excess or surplus production. The Kerr-Smith act, as you remember, provided



that if a man overplanted he had to pay tax on all of his production because he couldn't be both inside and outside. This bill lets a man be both inside and outside. In fact, it doesn't control the man outside and it doesn't control the man inside, either.

Let's see about this tax of not less than twenty-five and not more than 50 per cent. That tax has to be paid only if and when you market your excess tobacco in North Carolina or in one of the other compacting states. Now, let's get down to brass tacks; let's be specific about this. Let's suppose there are four farmers A, B, C, and D. Let's suppose that three of them are given a quota. Let's suppose that one of them, D doesn't even have a quota. There isn't a line in this bill that will prevent each and every one of those four planting just as much as they please. When it comes marketing time Mr. A, who has kept his quota and lived within it, carries his tobacco to market and has to sell it, in a market depressed by the overproduction that some of the others have practiced. Let's say that B doubles his quota, that C trebles his quota, and that D, with no quota at all, plants four times as much as A. He is a newcomer into the planting. He goes into the field and plants four times as much. Let's see what the difference is when they come to market. Under the terms of this bill as it now stands, A can market his quota without paying a tax. He has kept the law and produced within his quota. B, who has doubled his quota, can sell his quota just as freely as A, and the excess above his quota he can sell by simply paying the tax, which is not to exceed fifty per cent. That is, if the price has been beaten down to the picayune sum of ten cents a pound, he can pay not to exceed five cents a pound tax on his excess and get a net five cents a pound out of it and he can sell his quota absolutely tax free, notwithstanding the fact that by doubling his quota he has beaten down the price which Mr. A, who complied with the law, got for his.

How about C? He has raised three times his quota. He can do exactly the same thing. He can sell his quota tax free and he can sell his excess which is double his quota by simply paying not to exceed that 50 per cent tax and he, too, a non-coöperating, a speculative planter, as Mr. Cox called him correctly, has profited by his misdeeds and gets a net of five cents a pound on the excess.

Let's see about D. He didn't even have a quota. What does he do? He says, "I am smarter than all of you. I haven't got a quota and I ain't gonna pay a darn cent of tax either," and bless my

soul, as this bill now stands, he can do that very thing and get away with it. Did you know that, farmers? Did you know that is the way the bill now stands that has been passed by Virginia and which it is asked that we pass here in special session without waiting for some additional supporting legislation from Congress? How can he do it? All he has to do is to ship it across the State line to a non-compact state, let's say Tennessee, or Georgia, and he can sell it without paying a cent of tax. Or he can put it on a truck or a train with bill of lading attached and sell it over there without paying a cent of tax. Or he can sell it as the tobacco farmers in Canada sell theirs, by letting somebody come along and buy it in the barn for delivery outside the State. Oh! You tell me there isn't any market outside of these compact states. There was a market for bootleg liquor and there was a market even this year for bootleg scrap tobacco. There has never been a lack of market for bootleg stuff. There isn't a man in front of me that doesn't know that at least fifty million pounds of scrap or bootleg tobacco has been sold and found its way into the stocks on hand to glut the supply and beat down the price that you got for your legitimately raised and sold tobacco. So I say to you, this bill doesn't control, it doesn't limit production or marketing. I challenge anyone to show a line which prevents a man's either growing or marketing all he pleases. You have heard Brother Hall and the others explain, but he never pointed out and nobody can point out a line which prevents any farmer's planting any number of acres regardless of quota and marketing it all by paying tax on the excess in this State or some other compact states. But he can absolutely escape the tax payment by simply sending it to a non-compact state like Georgia or Tennessee. Maybe that is the reason the representatives of Georgia in Washington, when we went up there to see what kind of bill had been prepared, announced that they would fight any effort to control the moving of tobacco across state lines.

Is there not some way by which this can be prevented, you ask? Yes, I answer. It can be prevented and a real control perhaps set up, but not under the present circumstances. When these bills were first introduced by the AAA in Washington, they knew the necessity for some control over interstate movements. You read and I read in the papers that they were preparing and were going to submit a measure that would prevent moving of tobacco across state lines. Why? Because they knew

if they didn't, Georgia, who is out and who is staying out, as I shall presently show you, and South Carolina, which hasn't yet come in—and I'll tell you the reasons why she hasn't come in—and Virginia, which has attached certain provisions to her bill before it becomes effective—that unless there was some protection against that thing, those in North Carolina who complied would be the sufferers of penalties because they complied, and that gradually you, farmers of North Carolina, would have your tobacco acreage and quota taken away from you by the tobacco growers in Georgia, South Carolina, and Virginia. For is there anybody who hears me that thinks that North Carolina should lower her crop alone and let all the other states plant and raise and market what they please?

Now, let's see about this. When the bill was drawn, what did they do? They wrote into it certain provisions. They didn't just ask Congress to authorize the states to enter into compacts; they didn't just say, give us authority to make compacts. They asked for something more, and I want to read you what that bill provides. You will find it in section 4 of the original model bill and of the Virginia bill and in section 3 of the South Carolina bill. What is it? Here's what it is. It says that "upon the approval"—I am reading from the Virginia act—it says that "upon the approval of this act the governor is authorized and requested to submit the same immediately to each member of the Congress from the commonwealth of Virginia and ask that they take prompt action to obtain the consent of Congress to the establishment of a compact as provided for in this act." And here is something else that act asks for and asks Congress to do—to enact—"the enactment of legislation by Congress providing for the regulation of interstate and foreign commerce in tobacco in such a manner as to make possible the enforcement and accomplishment of the purposes of this act"—showing that they knew that without that legislation by Congress "the enforcement and the accomplishment of the purposes of this act" were absolutely impossible for the reasons I have already explained to you.

Now then, that language shows actually what is necessary, and the Department of Agriculture put that in the original act in order to prevent this movement across state lines—and why? Under the Constitution of the United States the states can't do this. The state of North Carolina can't prevent movement in interstate commerce, but the Congress can give authority to the states compacting that would prevent movement in interstate



commerce of bootleg, or surplus, or excess production without the payment of a tax, and with that sort of legislation there is some hope of enforcing and having effective or absolute control; without it there isn't any chance to keep those who want to from growing what they please and marketing where they please.

What, then, is the situation? Without this provision by Congress which hasn't yet been made, no protection is given to the man that observes the law. It encourages in the second place non-compliance with the law. In the third place any person can plant what he pleases. In the fourth place any person can market, tax-free, what he pleases. And in the fifth place, if left alone, it will take from North Carolina its present proud position of pre-eminence in tobacco production and surrender it to Georgia, South Carolina, Virginia or some of the other states. Now, that is your situation.

But you say there is no market this year in which bootleg stuff could be sold. Ah! They found a market for scrap tobacco, didn't they? And Georgia, as I said, has announced she'd fight a curb of any movement across state lines. Why? Because Georgia wants to get the marketing facilities that North Carolina has and wants to utilize her excess tobacco acres by increasing her production. Not only that, but overproduction always finds its way into the market and once a crop is in the ground you can put all the penalties you please on the marketing, and it will go into market to beat down the price of the farmer who has complied with the law, whether he wishes it or he doesn't. Then, too, there is another crowd that you can rest assured will see that they get a chance to buy free, if they want to, our excess or surplus production. You can depend on the tobacco companies finding a way to get it at a lower price if they can possibly do it. We found it that way in the past and we know we will find it that way now, and it is only a matter of building overnight a tobacco structure or warehouse just across the Tennessee or the Georgia line and telling Tom, Dick, and Harry, "Ship your tobacco to this place, bill of lading and draft attached, and we will pay for it at the market price without any tax being paid on it." So then I say, we have got to watch out and protect ourselves. If we are going into control, for God's sake, let's not tie a noose around our own necks and put the end of the noose into some foreigner's hand to strangle us to death and destroy North Carolina tobacco farmers.



Now then, I want to call your attention to some other things. Instead of calling this a "control bill" without this supplementing act from Congress it ought to be called a "non-control bill." I don't want to be understood as criticising our representatives in Congress, and, I say now, I honor them all, and have no criticism for anybody. I am sure they are doing what they can, but I must be frank with you and tell you that without this original provision there is no chance for control. It was in the original Federal act. I have here a copy that was furnished me by Dean Schaub, my good friend and your good friend. They had in the act that was originally offered in Congress this provision, section 3, and I wish our newspaper friends would get this: "The shipment or transportation in interstate or foreign commerce by any person from any state, of tobacco produced or marketed in violation of any compact or any state act is hereby prohibited," and section 4, that "all tobacco produced or marketed in any state which is a party to a compact entered into pursuant to the provisions of this act shall, except the actual transportation of such tobacco in interstate commerce, be subject to the laws of such state and the sale or marketing of such tobacco shall be subject to such regulation by such state." These clauses were in the law when it was offered by Judge Kerr before the Agricultural Committee of Congress. But because it was seen it would cause delay, those two features were stricken out. I am here to tell you, simply desiring to inform you, that when those two provisions were stricken out the heart was cut out of the bill, and it became immediately impossible to protect the growers of North Carolina against non-coöperation by those unwilling to coöperate.

Let me go on. I want you to get this picture clearly in your mind. I want you to get the picture of the ability of a man who is non-coöperating and speculating to raise what he pleases and sell what he pleases, and sell it tax free, and that is the picture without those provisions which Congress has cut out. I understand that Senator Barkley of Kentucky has offered an amendment to put them back in. I pray God that it will be adopted, but if it isn't adopted, then, Gentlemen, the Congressional bill as presented to us and the model act as enacted by Virginia, instead of being a control bill is, as I said, a non-control bill and so far as control is concerned it is just about as powerless to effectuate that purpose as a Texas steer to increase the grade and quality of the cattle on your ranch or a barrow to improve the strain of your hogs at breeding time. I want you to look the facts squarely

in the face. Without these provisions, my friends, this act is a gold brick, and that is all it is. Don't take my word for it. I have a telegram from the man who was the daddy of this compact idea. He is a tobacco grower and a lawyer from over here in Granville County. He is now working with one of the departments in Washington. I asked him to send me a telegram because I knew he was the first man that proposed this compact control. Here is what he sent me. "I believe I was the original proposer of the state compacts idea of control of tobacco production, which idea I presented to Congressman Kerr and others. I am also familiar with the model state compacts bill and its provisions and as such proposer I have no hesitancy in saying that without legislation by Congress preventing the movement across state lines of tobacco produced in excess of quota, it will, in my opinion, be impossible under the so-called model compacts bill for the states to control the crop or prevent the sale of surplus production tax free by simply carrying it over the line into a non-compact state. The passage by the North Carolina legislature of the compacts law now proposed cannot possibly prevent this and in my judgment a special session of the legislature and the enactment of this legislation cannot help in this year's crop production." That is the language of the man who originated the compacts idea.

It is signed by John W. Hester.

Oh, but somebody says, "run a bluff." The idea of trying to bluff the farmers of North Carolina! You can't bluff them. They have too much sense. South Carolina isn't trying to bluff us. We can't bluff them. We can't bluff anybody else. They found a way to grow tobacco in Georgia in the old tri-state coöperative days. We tied up the three states of North Carolina, South Carolina, and Virginia; immediately Georgia's production jumped from ten million pounds to something like sixty million pounds. That is the way they did before; that is the way it can happen again. Let's see about the present legislative session.

Why, they say, Congress is about to pass the compacts bill through the Senate; but it isn't the compacts bill that protects you against those interstate shipments. It is only an emasculated compacts bill, with the heart taken out of it, and with nothing left to it except authority for the states to enter into compacts, and the states have no power to prevent movement across state lines. And as to Georgia; what is the situation there? I wish my friends would tell us what the situation there is. Georgia has al-

ready completed its planting. Georgia's contract sign-up has been in progress for some time. What is the result? I am reliably informed that less than 50 per cent of Georgia's growers have signed—and if they have signed, have you ever seen the Georgia contract? Instead of cutting their production, it gave to them the right to *increase* 20 per cent. You are asked to *cut* thirty; they took the right under their contract to *increase* their growing 20 per cent. Not only that, but they, too, under this contract can keep out absolutely if they don't produce more than sixty million pounds, and they can market whatever they produce, a hundred or more million pounds by simply paying a tax of one-fourth, and the non-signers can sell theirs tax free. That is the Georgia law; that is the way the situation stands in Georgia. There has been no 60 per cent or 80 per cent sign-up and the Virginia law before it even becomes effective requires the governor of Virginia to find as a fact that Georgia has by sign-up secured an effective control of 80 per cent, I think it is, or 60 per cent—whatever it is, 80 per cent of their growers—and no governor in Virginia can find that as a fact when they have signed up only about 50 per cent.

What is the situation in South Carolina? Why, the bill is on the calendar of the Senate, but it hasn't even gotten to the floor of the House, and I have talked, only last night, with Senator Quattlebaum, whom Mr. Hall quoted. I talked with him over the phone last night and asked him to tell me the exact situation in South Carolina. He is the man that is pressing the bill for passage; and I have his permission, given over the phone, to quote to you a telegram he sent me sometime ago. To be exact it was dated April 4. At that time he asked me not yet to make it public because he was going to make another effort the next week to get the bill up. Last night over the telephone I asked him for permission to use this wire and he gave it. What does it say? It says, "Sorry but see no hope of controlling this year's tobacco crop." And he told me over the phone and I wrote his words down so as to quote him exactly: "You have my permission to use that telegram with the additional statement that the situation has changed but little since the date of that wire. Planting," he said, "is in progress in South Carolina. Undoubtedly there will be a shorter crop in South Carolina. If and when the bill passes the Senate it must then go to the House and I cannot predict the results in the House."



Now, then, what is the situation in Virginia? Before the Virginia legislature closed, I talked over the phone with the governor of Virginia. I asked him if possible to get his legislature to strike out the clause requiring Georgia to participate this year. I told him that, though we realized there was danger from Georgia, I thought the farmers in North Carolina were willing to go this year into a compact whether Georgia went in or not, but after conference with his own leaders he advised me that they were unwilling to leave Georgia entirely out of the picture and would insist on keeping in that provision of the law that said that the governor must find as a fact and proclaim it that Georgia had an effective control or words to that effect, by voluntary sign-up.

So that is the situation in the other states. Now, let me say a word or two of a personal nature. I think I have shown to the tobacco growers of North Carolina and to the other farmers in North Carolina my interest in them. I have fought for better prices for tobacco, for peanuts, and for potatoes and other crops. In this fight in your behalf I have incurred some enmities and some jealousies, perhaps. I never hesitated to close the markets when there was a chance of doing you some good. I never hesitated, then, to go to Washington though the men in authority there insisted it was useless for me to come. It was your governor that suggested the plan of sign-up at that time which was eventually carried out. It was your governor who, even when Washington insisted upon it, refused to permit the warehouses to re-open until we were assured of a better price for the crop that year. It was your governor who protested against the announcement that they were going to increase the crop last year. What did we get? The only response that I got was a charge that I was playing politics and the only response you got was a kick in the pants when you were protesting against the increased crop. When I was begging and fighting against that crop where were some of the brethren who now are criticizing me? Use your memories. Use your heads, my friends. Use your recollection just a little bit. I ask it in all kindness and in all charity, and I am sure that you accept it in that same way. When I was begging and protesting against an increased crop last year, what was happening? Where was my good friend and your good friend, Brother Winslow, then? I am not criticizing him. I know that you have regard for him and so do I. I am not questioning his



motives. I am just insisting that the same respect be shown to those who happen to disagree with him. When we were fighting against an increased crop then, where was Brother Winslow? Where were Brother Hall and some of the other brethren that have spoken? Where even was my good friend, Dean Schaub? They were every one sitting up with the Washington authorities agreeing with the increased crop, although we warned against it. They, like St. Paul at Stephen's martyrdom, were standing by and consenting to it. What is the cause of all our trouble now? It isn't the failure to pass a compact bill. It isn't even the decision of the Supreme Court of the United States, unfortunate as that was. The thing that is still in your hearts and minds now is that big crop that they let us raise last year. The thing that is hanging like a cloud over us right now, the thing that is threatening prices for your crop this year, is the big crop that was raised last year and that is our great danger right now. We started out with the knowledge, as they have been telling us for years, that the reason we got low prices for our tobacco was because they had tremendous stocks on hand. So we proposed control and cut down in production, but with the advice and consent of these brethren of the advisory committee who are now criticizing me in the public prints and elsewhere they increased the crop last year. I am not going into the prints. I am saying right to their faces that they cannot shake their locks at me and say I am responsible for the big crop. They were right there at the time we were protesting, but they agreed to it.

Now, let's go on. Why is it that all this pressure is being exerted here and now? Call the roll of those who are trying to put the governor on the spot—the governor that has fought for you and fought the battles for you tobacco farmers from the very first time you called on him. I'll tell you what that big crop did to you. It cost you seven cents a pound for your tobacco you sold last year and you know it. You got seven cents less than you would have gotten if you had been permitted to do what I begged to be permitted to do and you wanted to do; namely, just raise that much crop. Not only that, it will cost you God only knows what, this year. Why? Because you have got crops on hand right now, the biggest amount, the record, the all-time record of stocks on hand, and you have got them there because Brother Winslow and Brother Hall and brother several others who have spoken here today all went to Washington and sat down at council with those brethren up there and agreed to that big crop and con-

tinued to agree to it when we protested against it. If they tell me that Mr. Wallace says that the compacts law with those features preventing interstate shipments is still of some effect, I would remind you, with great respect to Mr. Wallace, that he is the same Mr. Wallace who said that the big crop of last year wasn't going to do us any harm and he is the same Mr. Wallace, and these are the same brethren who, right in the middle of last year's marketing season, though Georgia had been allotted only fifty million pounds, permitted them to sell seventy-two million pounds and to use more than their allotment cards, and that burst the market right in the face of North Carolina tobacco growers who were marketing at that time on the border belts. That is what happened at that time. I am not saying that he wasn't honest in his judgment. I made a speech at Kinston when feeling was running high. Some man in the crowd stepped out to make an imputation against them, and I was the first to resent it and the first to rise and say, though I disagree with everything Mr. Wallace and Mr. Hutson have done about this crop, with the consent of Mr. Winslow and Mr. Hall and several of these brethren, though I disagree with every bit of it, I want you to understand I believe they acted honestly—and yet when they find themselves faced with the necessity for an alibi to take care of the destruction and the ruin to your prices and your tobacco which that big crop they put on us is about to produce, they turn in their search for an alibi and level their guns at the governor who has been fighting for you all these times. Shame on them! Every one of them!

I say to you, my friends, these folks have been saying a lot of things, not all of it to my face, but a lot of it has come to me. What I am saying, I am saying for the first time, and to their faces. I kept quiet all this time. Why? I kept quiet because, having proposed one plan to help you, I saw it scuttled, and I wasn't willing for anybody to say that I was trying to prevent the passage of this compacts legislation. I speak now only when it is manifest that Congress isn't going to adopt the law that protects us against those interstate shipments.

Let's see what the situation is. There is a little bit of politics in this, too. We haven't got any politicians here, and you know it. They say we haven't got any politicians here. I am not a candidate for anything. If you will permit me, though it may be inelegant, I will tell you the truth. I've got a bellyful of public office! No matter how hard you try you are always wrong. I have given

what little fortune I had in an effort to elect myself governor, and I have spent my health, practically, in trying to carry out the duties of that office, and the Lord God knows, and I say it earnestly, that the happiest man in North Carolina, next January, will be the governor that goes *out* of office! And because I am not in politics I don't have any motive to mislead you, and I am not going to mislead you. And I am not only not going to mislead you myself, but if I can prevent it, I am going to prevent other folks from fooling you about this thing.

Why, we welcome into the fold those who are now clamoring—into the fold of the tobacco growers—these new faces and new voices of our political brethren whom we haven't seen or heard before! We are glad to hear them speaking out so vociferously. But imagine what a shock it was for some of us to find out that two, and many others probably, of the most clamorous of them, the most clamorous for a special session to pass the law, when they were asked point-blank whether they had read the law or not, admitted they had never read a line of it! What sort of leadership is that? Clamoring for a legislature to pass a law that they hadn't even read. And one of the highly ambitious ones declared as his excuse for not having read it that he was willing to take whatever the Department of Agriculture offered. Think about that my good friends. A man charged with high responsibility in office willing to take without reading it—"Sight unseen" as we boys used to say when we swapped knives out in the country—willing to take whatever the Department of Agriculture proposed. Now let me tell you something. I don't think that is the sort of leadership you want, and I for one would be ashamed if I gave you that sort of leadership. I am satisfied there are only a few of you who ever read this law. You have only taken what you heard other folks say about it; that is the reason I am glad to come here today and not only quote from the law to you but furnish you with copies of the law so you can read it. You don't have to take what I say or anybody else says about it; that is the reason I am glad to come here and to face you. And yet these brethren tell us they are in favor of anything the Department of Agriculture sanctions, and I suppose would have been in favor of that big crop last year, for that was favored by the Department of Agriculture! If you haven't got somebody to read and study and tell you the truth about these things, if you can't depend on those in high office to do it for you, in God's name, who is going to protect you? All I have to



say about it is just this, and I say it in all charity: if that is the way you want your sworn officials to act, then you now have the wrong man for governor, and in the event that Brother Wallace and Brother Hutson and Brother Winslow and Brother Hall, and even my good friend Dean Schaub, once again "wish" a record crop on you, I want you to know that there is at least one man that is ready to stand up and fight for you against those high crops, those big crops.

All right, I'm with you; I'm talking to you and I want you to look for yourselves at the record. It is easy, my friends. It would be the easiest thing in the world for me to say: "I yield to clamor; go on, have your legislature; pass this law; if it ain't worth a tinker's dam, you have got what you asked for; you can't blame me." But what sort of courage is that? It is the same kind of courage that old Peter showed when he denied his Master thrice before the cock crew. It is the same kind of courage that Pilate showed when he yielded to the clamor of the mob and released to them Barabbas instead of Jesus of Nazareth; and if that is the way you want your governors to act, I want to tell you this here and now: you may have that sort of gutless governor at some time in the future, but at least until January 1—if I live—you are going to have one that will tell you the truth about things. *Applause.*

I honor the great President of the United States, my captain and yours. I have fought for him. I canvassed this State for him, and spent of my own money and my own time in doing so. I have been elsewhere and have spoken for him and I shall continue to go and speak for him, but I don't believe, knowing him as I do—I *know*, he doesn't expect me or anybody else just to "me too" everything that every little subordinate of his says and does. If I had listened to that sort of argument the rural electrification movement that your governor put under way and that has put over a thousand miles of rural electrification in your State already—if I had listened to that sort of thing and followed that sort of course—we'd have had those lines today subject to absolute seizure and control by the power interests, and the folks in Washington when we called their attention to the sort of law that they had sent down unknowing (it having been prepared, I am informed, by a twenty-four year old, budding young lawyer) were prompt to say we were right in not taking it and not passing it in the General Assembly, and this bill that was passed down also got just about the same sort of preparation.



Great as is the President, you remember that it was his secretary, Mr. Wallace, who not only insisted in putting a large crop on you, but absolutely and flatly, before the Supreme Court even acted, refused to put into effect the potato bill which Congress had passed. Some have said that I don't believe in compacts. That isn't correct. I do. I believe that there is virtue in this compact proposition, and I believe that a good compact law that will effectively control can be found and formulated.

It has got to have as the first background for it this legislation by Congress that will prevent the movement by the bootleg and speculating and non-coöperating producers of their excess quota across state lines. We have got to have some control on that or all the compact laws in the world can't help you and me to control production. I do favor compacts. I am convinced that a workable plan and an effective measure can be worked out, and here is my idea of the plan. With that sort of Federal background that I have just said: and secondly, with state laws for quota establishment in coöperation with other states, provided that all tobacco before it moves to market or when it begins moving to market or is harvested (except only quotas duly assigned) shall be liable to a tax which must be paid or secured, and then if the Federal law should provide that it is a crime to move in interstate commerce any article, namely, tobacco, produced in a state and which was liable to a tax, without either paying that tax or securing its payment. With that sort of a background we can make some headway in controlling the crop.

But some of the brethren say they are tired of a do-nothing policy. Do nothing! I have tried to do something for you. I saw in the beginning that Congress wasn't going to have time to pass the sort of legislation that you really need, no matter how earnest and zealous our brethren and representatives in Congress were, and I know that they are zealous and interested. I saw there wasn't going to be a chance to do that, so I put a plan before you. It wasn't the best plan, but it was a plan. I asked you to do four things. First, keep on working for effective compact legislation by Congress. With everybody shooting at the governor they seemed to have forgotten that Congress up there has to do something in order to make these laws effective: namely, protect us against the interstate movement. Secondly, I said I urge you as earnestly as I can to get down behind the soil conservation program. It is a good thing. Thirdly, I tried to get—in order to give the soil program more value—I tried to get you a

larger amount of money, \$50,000,000.00, and bless my soul, because, speaking for the tobacco growers, I begged the President to give us fifty million dollars, I made some folks mad simply because I made that plea in behalf of the tobacco growers. I am sorry; but I don't think you even think that I owe any apology to anybody for speaking out and trying to help the tobacco growers of North Carolina. And lastly, I suggested a voluntary sign-up campaign. Oh, I know they said, "we don't want a vountary sign-up campaign" because, they said, "the voluntary sign-up campaign doesn't reach the man outside." Lo and behold, we found out that the Virginia law which they asked us to pass on "Doesn't reach the man on the outside." As a matter of fact, the voluntary sign-up campaign was the only way that we could have done anything in the way of cutting down acreage this year—that is, cutting down on planting. But that was scuttled, and how was it scuttled? It died "aborning," almost before the ink got cold on it. We went into the papers and told the folks what had been done and the very next day, lo and behold, Brother Arnold and some of the brethren in his group had an advertisement in the paper telling the farmers they don't want that; they just wanted this compact control, whether it controlled or whether it didn't. And so that was defeated.

I don't know why they opposed the act. I will tell you something, though. When that bill was first drawn it had a little joker in it which, unfortunately, I happened to discover—unfortunately for some. If you will turn to those copies which I have for you, you will see that the law as originally drawn required the governors of all the states to name the director not simply as a member but as chairman of these quota committees. I pointed that out up in Washington, when I read a provision that not even the committee had the power to give a farmer his individual quota without the consent of the director. I pointed that out and said I didn't think the farmers would want any one man to have the absolute power to say what each man's farm quota should be and the Virginia legislature struck that provision out. Apparently that made somebody in Virginia mad, because just as soon as we started our voluntary sign-up contracts the director of Virginia put his foot down on it and said Virginia wouldn't coöperate and that ended the voluntary sign-up campaign. But I have no apologies for that.

I say to you, I know my friend, Dean Schaub, is a wise man. I know he is a good man. I will make the same statement with ref-

erence to Brother Arnold down in Pitt County, for there were to be committees appointed under them. I say to you, my friends, that God Almighty never made one man wise enough or good enough to hold in his single hand the destiny and quota assignments of all the farmers of North Carolina! When I pointed that out and it was struck out of the Virginia act, immediately, apparently, somebody got mad; not Dean Schaub, but it hasn't set well on some other folks.

Now I want to pay a tribute to these men of the Extension Service, many of them most excellent men, working hard for the farmers' interest; many of them are your friends and mine. But they are just like you and me: they are human and they are liable to make mistakes.

I am not in favor of giving over to any one man that much power—to say how much every one of you shall raise or not raise on your farms.

I am about through. I am much obliged to you for a patient hearing. There is still a chance to save us this year, to save yourselves, somewhat. There is still a chance to protect ourselves against the mistakes of these men who put the big crop on us. We can do two things. Cut your crop, men; cut it down to the 70 per cent. When you cut it you get the benefit of the soil conservation program. It isn't as much as I'd like for you to get; it isn't as much as I tried to get for you, but it is a substantial sum and it will pay you to cut your crop to the 70 per cent and take the rent that you will get under the conservation plan. It will pay you better than raising cheap tobacco. And secondly, we will keep on working towards securing by real coöperation an effective compact that will help us next year and in years to come.

I want you to do this for me. Now I have told you the truth about this law. I want you to insist that your local papers publish this law in full. I want you to read it; if you can't get a copy here today, get one from somebody and familiarize yourselves with it. I want you to take it to your lawyer friends in your own communities and ask them to go over it with you and tell you if it isn't a fact that without that congressional legislation prohibiting interstate shipments, any farmer, whether he has got a quota or not, can raise what he pleases and ship it across state lines into a non-compact state and sell it tax free. I want you to appoint committees, not politicians, not somebody trying to organize something, however good it may be, and tying the organization to one slogan and one achievement only. I want you good



men in that organization to inform yourself about that law and name committees of men who will sit down in coöperation and study this thing and help to work out a real crop control measure, and I will help you to the utmost of my strength in putting across the plan as quickly as it can be done—something of that kind.

You know, and there is no need to fool yourselves or for me to try to fool you, and I am not going to try to fool you. You know that the crop has already been planted in Georgia and that planting has already started and is well under way in South Carolina. Even if the South Carolina Senate passes a law—it is coming up sometime soon, today or tomorrow, I don't remember which—even then, when it gets over to the House and goes through, if it goes through as slow a process in the House as it has been in the Senate, the Lord knows when it will be reached. Even if it passes the House we have got to see what it provides with reference to whether Georgia's got to come in on a legislative basis or whether it is on a voluntary sign-up basis, and even then we have got to find out what Congress has done with reference to the Barkley amendment and those amendments that are necessary to put this thing through. I say to you, it would be easy for me just to yield to what is said. Then I could pass the buck. I would have a perfect "out." But I am determined that before you act you must know the whole truth about this situation. In my judgment, if this bill, without supporting Congressional legislation, should pass, it will put back the cause of real crop control for twenty-five years and make it just as dead as coöperative marketing is in North Carolina.

In the past I have not misled you. I am, therefore, all the more determined now not to lead you astray. More than once you have been good enough to admit that I did you some service. I mention it not in pride or claim of only merit—for I have cheerfully accorded credit to all others who helped—but simply in modesty, and as proof of my devotion to your interest. In spite of hateful and sometimes slanderous insinuations, you found me willing, dependable, sympathetic. I am the same man today. And in spite of doubts or even present-day slanders, whispered by enemies or violent partisans, I am just as willing, just as eager, just as sympathetic and just as free to help you as in the days gone by. And if there are some who would prepare a Cross and Calvary for me, that is all right. I wish to say to you and to them that I am willing to suffer whatsoever punishment befalls me so



long as under God and in the light of my conscience I know, as I declare to you I do know, that I am trying my best under God to be honest and fair and clean in all my dealings with you.

I thank you.

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## TOBACCO CONTROL LEGISLATION

ADDRESS DELIVERED OVER STATION WPTF

RALEIGH

APRIL 28, 1936

*My friends of the radio audience,  
particularly listening tobacco growers:*

Thanks again for the courtesy and coöperation of Radio Station WPTF for this opportunity to speak to you. The response to my statement before the gathering at State College stadium last Tuesday has been so remarkable and so genuine that I feel impelled not merely to make general and appreciative acknowledgment of it but also to bring my analysis of the situation up to date, to the end that you may be advised of developments since that gathering, and in each and every instance, I may say, these developments have justified not only the position I then took, but the prophecies which I then made. Let me briefly repeat.

Spokesmen for those advocating an immediate call of a special legislative session gave as their reason for this demand their desire to set up for this year's crop an "effective," (some said) an "absolute," control of this year's production, and all agreed it was necessary to control the "non-coöperative or speculative grower" if control was to succeed.

Concurring in their wish to obtain this sort of control I think I showed conclusively that under present conditions the model act, the Virginia act, the South Carolina act, and the act they were asking to be passed now in North Carolina, were and are, without supporting congressional legislation beyond and in addition to what has been passed by Congress, absolutely incapable of effecting this sort, or any sort, of control over this year's crop; that these acts do not prevent, or even pretend to prevent, any grower, with or without a quota, from planting and marketing all the tobacco he pleases and marketing it tax free by simply moving it over the line into a non-compact state; and, lastly, that these acts, therefore, put no restraint upon the non-

coöperative or speculative grower, but put a ball and chain only upon the man who observes his quota and tries to comply with the law. No one has nor can contradict these statements. Any lawyer reading the act will be compelled to admit their correctness. True, Mr. Grimes in replying to me stated that it was the duty of the courts, not the governor, to pass on the constitutionality of the act, but the growers know I did not even raise the question of constitutionality. I was discussing its practicality, its effect, or rather its lack of effect. As to my contentions on this, neither Mr. Grimes nor anyone else has denied or can deny or contradict them. The only sections in the Virginia law which attempt to control or put a penalty on anybody or anything are sections 14, 18, 19, and 20. Section 14 imposes a tax, but it is only on surplus production, that is, production beyond or without quotas. The tax is levied not on the planting or production but on the marketing of this surplus. By sections 18, 19 and 20 it is provided that if a grower markets his surplus in the State he must pay the tax. His failure to do this makes him liable to a civil action for a penalty and a trifling \$10.00 fine for the first and \$25.00 for subsequent offenses. But the serious and desperate thing about this act is that the grower can easily escape both the tax and the penalties by simply shipping or hauling his tobacco to a market across the state line into a non-compact state, as Georgia or Tennessee, or selling to someone for delivery across the state line, and so it is clear that any grower under this act can grow and market any amount of tobacco he pleases absolutely tax free and absolutely without penalty.

This explains probably why Georgia's representative at the Washington conference stated that Georgia would fight any effort to prevent the movement of tobacco across state lines. If this act should be adopted under present conditions, Georgia could not only take away from North Carolina growers their present high percentage of production but also could take away from North Carolina her tobacco markets. No wonder Georgia's much talked about, but only 50 per cent, voluntary sign-up campaign not only failed to cut their production as North Carolina growers are asked to do, but actually guaranteed to Georgia growers a 20 per cent increase for this year. No wonder, therefore, that South Carolina's legislature, in fright and understanding, has already, through its Senate, not only refused to come into the compacts this year, or at any time, unless Georgia comes on the same basis, but, I am informed, has written into the law

amendments also providing: (a) that it has no application to producers of less than 2,400 pounds, and (b) that the act shall not affect any tobacco or crop which has been planted at the time the act is finally passed. Since it is manifest that South Carolina's crop is now nearly all planted, or that it will soon be completely planted, it is quite clear that South Carolina is definitely out of the compact picture for this year, and even if it should finally pass the bill it will have no effectiveness this year.

The wonder is that in North Carolina there are still some who are crying aloud for the privilege of putting this halter about the necks of our North Carolina farmers and turning the ends of the rope over to outsiders, who even now ask us for a special session to hurry up our own hanging and beg that we hasten to surrender our position of priority in production and make room, by our own sacrifices, for greater production in other states, just as we did in the field of cotton production. It is the same leadership, however, that put on us last year, over our protest and prayers, the second largest crop on record, a crop so big that they haven't yet finished counting its pounds, but have gone far enough to prove that my predictions last year were correct and theirs disastrously wrong. It is a leadership that lost you from five to seven cents a pound for your last year's crop and only the Lord knows how much it will cost you this year through the surplus stocks which it has piled up to hang over the market and depress your prices. It is a doctrine of self-destruction which, if followed, promises to earn for its promoters the designation of "death-watch" to tobacco production in North Carolina. It is a leadership which has invariably carried you to lower prices as contrasted with the higher prices toward which I have pointed you and which I have helped you obtain. You must make your own choice of leadership, and you must make it in the knowledge of these facts.

It is interesting to note that within less than half a day the predictions I made in the State College stadium were justified, and the predictions made by some of these leaders were repudiated and disproved by actual events. In support of their plea for an immediate special session, certain of those leaders, you will recall, insisted that I was wrong and stated that South Carolina's legislature was ready and about to adopt this act this year without requiring Georgia to join in on a legislative basis. Before the morning watch, before the morning papers could tell the story of that meeting, the South Carolina Senate, realizing

the futility of this measure without additional legislation by Congress providing for control of interstate shipments of surplus production and realizing the dangers to South Carolina's tobacco position, which, as I am pointing out, is much more serious to North Carolina since we have more to lose—the South Carolina Senate turned down, I say, this suggestion, putting into their bill a clause requiring Georgia to come in on a legislative instead of a voluntary basis and these other amendments above quoted, and the champion of the bill, Senator Quattlebaum, wired me that compacts were dead in South Carolina for this year.

And yet there are still some in North Carolina who are so wedded to that idea and so set in their single purpose of forcing a special session without regard to what it can do, that they continue to advise and give opinions at variance with those in South Carolina who have been fighting for the bill there, and who must know the situation in South Carolina better than these would-be leaders can possibly know it.

Again these leaders, or some of them, advised you growers that the Georgia voluntary sign-up campaign was a success and that the Virginia governor would be able to so find and proclaim as the Virginia act requires. I told the growers in the stadium that I was reliably informed that hardly a 50 per cent sign-up had been secured in Georgia and that the Georgia crop was then completely planted. Before the meeting closed came a telegram to their leaders confirming my 50 per cent estimated sign-up. True, this telegram added, possibly at somebody's suggestion, that they could get other signatures if North Carolina would put the legislative ball and chain on the North Carolina growers and leave those in Georgia restrained only by voluntary contracts, which guaranteed to them a larger crop. But what good would it do? What control of Georgia's present crop would it accomplish? What protection to Virginia or North Carolina for Georgia growers to sign after they have planted all they please. Their crop is there and when grown will find its way to market to depress the price of our crops in North Carolina. Again we have a fine example of consideration for the North Carolina farmer as against the farmer of other states. Again we have an enterprise of patriotism that binds the Georgia grower only by his word but requires the ball and chain restraint for a North Carolina tobacco grower. I have nothing disparaging to say of Georgia



growers, but I do resent the suggestion that they are any better than the North Carolina growers.

So it is clear that Georgia, even on a voluntary basis, is "out" of any sort of control for this year; that South Carolina, by virtue of the bill as passed by its Senate and also by virtue of Georgia's incomplete sign-up and also by virtue of its own practically completed planting, and also by virtue of the amendment making the South Carolina act inapplicable to any crops planted before its final passage, it is manifest, I say, that South Carolina also is out of any sort of control for this year. And since the law passed by Virginia requires South Carolina be in on a legislative basis and Georgia on an "effective" voluntary basis, and since neither of these is true, it is clear that Virginia also is out for these two reasons.

That leaves North Carolina, so far as this year's crop is concerned, all alone. That proves that I was right in waiting to see what would be done in the two states whose legislatures were already in session and what would happen in Congress which was then sitting, before I would consent to call our own legislature together. That proves also the impossibility to lead in a direction where progress is blocked and the correctness of my refusal to be stampeded into doing a vain thing. And, lastly, it proves conclusively also that had I yielded to this demand and "followed" the leadership which voiced it, and had our North Carolina General Assembly been here and passed this law and returned home weeks ago, the call would have been in vain, the time of our members and the expenses to the State absolutely wasted, and we today would be, in the language of the slang phrase, "all dressed up and nowhere to go," all ready to compact but nobody to compact with.

But most important of all is the status of the Congressional act. And here let me clear up one very general misunderstanding. Many people apparently think, or seem to think, that the compact bill passed by Congress and signed by the President is the same bill which was passed by Virginia and which is offered for passage in South and North Carolina. They are of course two entirely different measures. The Congressional act is the simple authority of Congress given to the states to compact. The state acts are the so-called control acts to be set up in the several states. Let's get the record straight on this.

Before the Supreme Court decision destroyed the AAA, the Department of Agriculture announced that though it was confident

of victory it was nevertheless ready for any emergency. The Supreme Court decision was announced January 6. Get these dates, please, for they are important. Asked by the press to comment on that decision, I expressed my disappointment and respectful disagreement with the majority of the Supreme Court and stated that in view of the department's statement that they were ready for any eventuality and I would wait upon the revaluation of their plans, as I wished to follow them, if possible. The soil conservation act which was recommended by the department to Congress met with general approval and was passed by Congress. Our alert North Carolina congressmen tried to secure an amendment ear-marking \$50,000,000 of the fund for tobacco alone. This amendment was defeated and the discretion as to allocation to each crop left to the President or the department.

On January 31 Honorable John H. Kerr introduced a brief resolution which simply authorized states to enter into compacts, an authority which is required by the United States Constitution. Mr. Claude Hall and others announced, after conferences with the department at Washington, that the department was working out plans for state compacts on tobacco control originally suggested by Honorable John W. Hester; that through these compacts it was proposed to control production; that the movement of excess tobacco across state lines would be controlled by a congressional law regulating its transit in interstate commerce; and that the department would prepare and sponsor such legislation.

Several conferences were held by the department in Washington. I was not invited to these, but was requested to designate a member each from our North Carolina House and Senate, which I did, and these two attended two of these conferences as I recall. Finally, but not until February 26, the governor was invited to Washington. No draft of the proposals was submitted to him in advance. Indeed, on the date of the Washington conference it had to adjourn for lunch to give the department a chance to prepare typewritten copies of the proposed state compact bill drawn up by the department for the states. As submitted then this bill was manifestly full of defects, many of which, notably the one-man control of farm quotas for individual farmers in the state, I pointed out. A full report of this conference was given by me in a statement published in the papers shortly after my return. The department was not then ready with its proposal to control across-the-line movements. We

awaited these announcements patiently. Not until March 19 were these proposals and the department approved amendments to the Kerr proposal transmitted in a letter by Secretary Wallace to Chairman Marvin Jones of the House Agricultural Committee; that is, two months and thirteen days after the Supreme Court decision and almost at planting time in Georgia. Certainly we are not responsible for this delay.

An examination of these proposed amendments is enlightening. I particularly direct your attention to sections three and four. You will find them on page two of the printed report of the hearing before the committee on agriculture of the House of Representatives:

Sec. 3. The shipment or transportation in interstate or foreign commerce by any person from any state of tobacco produced or marketed in violation of any compact or any state act is hereby prohibited.

Sec. 4. All tobacco produced or marketed in any state which is a party to a compact entered into pursuant to the provisions of this act shall, except for the actual transportation of such tobacco in interstate or foreign commerce, be subject to the laws of such state and the sale or marketing of such tobacco shall be subjected to regulation by such state.

You understand, of course, that it is one thing for Congress to give the states permission to enter into a compact. It is another and more vital and necesasry thing, though, to give these states so compacting protection against across-the-line marketing. Without such protection as I have explained, compacts are useless and no control is possible. These two sections above quoted were designed to give this protection and such protection is not only necessary but was specifically requested by the Department of Agriculture, by the Virginia act, and the South Carolina bill. These bills correctly describe this protection (section 4) as a regulation "in interstate or foreign commerce" in tobacco in such manner as to make possible (get that expression please, you radio listeners) "make possible the enforcement and accomplishment of the purposes of this act." So you see that not simply I but the Department of Agriculture itself is with me in the opinion expressed that without this protection "it is not possible" to control either the planting or the marketing of a crop.

I have before me as I speak a printed copy of the hearing on this bill before the agricultural committee of the House of Congress, and from this report I notice that the Department of Agriculture sent before this committee to approve these amend-

ments, proposed in Secretary Wallace's letter, two representatives: Mr. Thigpin and Mr. Bagwell. Mr. Thigpin (p. 51) expressed the view of these sections as follows: "The situation that I visualized in working on them from my understanding of the tobacco trade is this: it would be possible, first, for any individual producer growing tobacco in any state which passed a state law and which is a member to a compact, to take that tobacco on his truck and put it on a railroad or otherwise to ship it out of the state in which it was grown to some state which was not a party to the compact." Again on page 51 he elaborated this danger, pointing out the possibility of the tobacco companies' evading the state laws without this protection. Mr. Bagwell justified the legality of these provisions.

Why am I referring to these? It has been told you repeatedly that your governor is putting up his individual opinion against that of the Department of Agriculture, the Congress, the Virginia legislature, and 6,000 farmers. You see now how unfair such criticism is and that it is not founded on fact. Few, if any, of the 6,000 farmers had read this bill. They depended on others, who have been telling them that the bill provided efficient or absolute control, and they so believed until I gave them the facts. The Virginia act and the South Carolina act prove that the legislators in these two states wanted and asked Congress not simply to give permission for compacts but, most important of all, for legislation which would make possible the enforcement of these acts. This testimony, to which I refer you and which was given before the Congressional committee, and the record of that entire hearing proves that the Department of Agriculture also agreed with me that such legislation was necessary for control and pointed out exactly the same danger, the same lack of control without these safeguards, which I have been pointing out. And lastly, this testimony and record shows conclusively that members of Congress were informed and probably understood, as the questions of the committee chairman show that he understood, that without this protection the state compact laws are incapable of control.

These two sections were the "teeth"—the controls—of the Congressional bill. Without them, as the department's representative pointed out, there is no control and the state laws are empty shells, giving no protection to the honest and complying grower, giving, rather, unlimited encouragement and opportunity for chiseling to the man who doesn't comply and opening



wide the door for planting and tax free marketing to quota-jumpers and those who have no quotas.

Look now at the act which finally passed Congress. Fearing the difficulties of pushing through Congress what was necessary to make this movement effective, I predicted that the time was too short to get a satisfactory act through Congress in time to control this year's crop and that as soon as the crop was in the ground it would find its way to market. Again, the special sessioners said I was wrong. I offered to lead you growers in a voluntary sign-up campaign, not because I thought this was equal to control, but because I thought then and think now it was the best thing and the only thing that was possible in time to help with this year's crop. But they scuttled this effort on my part almost before it got started. Again I seconded the Congressional suggestion of a larger allotment of conservation funds, begging the President to see that our tobacco growers got \$50,000,000. I received only bitter criticism for my pains and efforts along this line. I proposed a plan and offered to lead you in it. These other leaders, however, shouted it down and insisted that you go ahead into this blind and disappointing alley. It was their way or nothing. "North Carolina's governor should lead," they shouted, but they insisted that he lead in only one direction—they insisted on charting the course for him themselves; they insisted, in other words, that he follow, not lead, and that he follow them, or else.

And when the Congressional act was finally handed to the President for signature last week it was a completely emasculated act. These sections 3 and 4 which the department had proposed and championed as necessary had both been dropped, abandoned, sunk without a trace. It gave a bland and ineffective permission to compact, but it denied to the states the one chance there was to enforce such compacts. Every tooth in the Congressional act was pulled and in its present form it resembles an old horse who stems his fodder for lack of teeth to chew it. Again let me repeat, I am not criticising, though I myself have been rather bitterly and I think most unfairly criticised. In many instances it has come from those who seek in this movement an alibi for their own participation in a program last year which brought our present distress upon us. I am simply pointing out the facts and the record. In the short time since the Department of Agriculture gave sanction and approval to the compact law, namely, since March 19 last, it is really remarkable that our North Carolina delegation and other interested congressmen

were able to get through the Congress even the legislation that was passed. It is a memorial to their diligence. But that does not alter the fact that what did get through is just a skeleton of the bill as recommended by the department and requested by Virginia and the other states, and certainly it omits all provisions which could make possible any control over interstate movements. I feel sure our delegation, with its usual diligence and capacity, will push for this sort of legislation in a supplemental bill and finally secure its enactment at the earliest date possible in the next Congress, certainly if, as is probably true, it cannot be done at this session. The press reported that Senator Barkley of Kentucky re-offered these amendments in the Senate, when the bill was pending there. They were not adopted, however. I have brought their importance to the attention of at least one member of our delegation. As I have frequently stated, with such supporting Congressional legislation, we can probably work out a plan of effective control through compacts, and work this out in time for the next crop and for consideration at our regular session of the legislature. There is manifestly no chance for such control of this crop, and in my judgment there never has been. Without this supporting legislation by Congress, any compact will prove not merely ineffective but disastrous to the interests of North Carolina growers.

Finally, I propose to appoint a Commission representing real tobacco growers, not speculators, representing not simply the big but the little growers and the small farmers who for their sustenance must have some opportunity to participate in this program, representing the Farm Bureau, the Grange, and perhaps other organizations. I propose and shall enterprise an effort to bring about the appointment of similar groups in other affected states, and to seek the advice of the attorney generals as well as the state executives in these commonwealths. I shall ask and I trust that I may and will receive the coöperation of our delegation in Congress and the Department of Agriculture in an effort to work out in coöperation a plan deliberately and carefully formulated and deliberately, not hastily, presented, a plan which can command the respect and will provide protection for the interests and the rights of all concerned, which, with the necessary supporting Congressional legislation which I feel sure our delegation will support, will help us on the way to a solution of our difficulties.

We must absolutely divorce this effort from candidacies, promotional enterprises, politics, and all other enterprises or legislative efforts. It is only in such coöperation that there is hope for success. God grant that we may all be able to lay aside our disagreements and view the situation in calmness, dispassionateness, and deliberation and combine in a consecrated effort for the good of our growers and the welfare of our State.

In the meantime, I urge, as vigorously as I can, that all growers participate in the soil conservation program and reduce their tobacco plantings in accordance with this plan. Such coöperation will not only help to insure a better price for this year's crop but will pay to coöperating growers a substantial cash dividend.

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## INTRODUCTION OF PRESIDENT ROOSEVELT<sup>1</sup>

CHARLOTTE

SEPTEMBER 10, 1936

Voicing, as I know I do, their unbounded admiration and affection, I present to a grateful and a gracious people, the Gideon of Democracy, who worthily wears its shield and buckler and valiantly wields the shining sword of its consecrated service, our leader, our captain courageous, our present and our next President.

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<sup>1</sup>The Green Pastures Democratic rally was held in Charlotte Sept. 10, 1936, where the President addressed 25,000 Democrats assembled for the seven-state "Green Pastures" rally at the Memorial Stadium.

## **STATEMENTS FOR THE PRESS**







Governor and Mrs. Ehringhaus just before leaving by air for Indianapolis, Indiana, with their pilot, Lt. William Mashmeyer of the Indiana National Guard, December 8, 1936. In Indianapolis they attended a dinner honoring Paul V. McNutt, former governor of Indiana.



## COMMITTEES APPOINTED TO REPRESENT THE UNIVERSITY OF NORTH CAROLINA

JANUARY 31, 1933

Governor Ehringhaus today announced the following appointments made by him, in accordance with a resolution adopted at a recent meeting of the trustees of the Greater University of North Carolina:

Committee to present to the legislature the needs of the Greater University: Hon. Kemp Battle, Rocky Mount; Hon. Sid B. Alexander, Charlotte; Hon. Mrs. E. L. McKee, Sylva; Miss Easdale Shaw, Rockingham; Hon. Kemp P. Lewis, Durham; Hon. Haywood Parker, Asheville; Rev. Charles E. Maddry, Raleigh.

Committee on visitation and assistance in working out reorganization plans for the Greater University: Hon. Josephus Daniels, Raleigh; Hon. A. W. McLean, Lumberton; Mrs. Laura Weil Cone, Greensboro; Hon. Charles W. Tillett, Jr., Charlotte; Hon. Irvin B. Tucker, Whiteville; Dr. Clarence Poe, Raleigh; Hon. Charles Whedbee, Hertford.

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## APPOINTMENT OF REPRESENTATIVES ON INAUGURAL COMMITTEE OF YOUNG PEOPLE'S DEMOCRATIC CLUBS

FEBRUARY 17, 1933

Governor Ehringhaus has today appointed the following representatives of the Young People's Democratic Clubs of America on the state inaugural committee to attend the Roosevelt inauguration and to act in conjunction with the committee heretofore named by the governor:

Tyre C. Taylor, J. Dewey Dorsett, Mrs. May Thompson Evans and Thomas A. Banks.



## FOR THE YACKETY YACK

APRIL 1, 1933

In these difficult days, when the State and its institutions are being sorely tried to meet the spiritual demands upon them with adequate provision from greatly diminished revenues, I greet the friends of the University as workers and burden bearers in a common cause.

There is in the present situation a challenge to our patriotism which cannot be ignored and to which the traditions and the infinite service of this institution through the years furnish guarantee of adequate response. The pride of the State in its work and service and sacrifice is unlimited. We may face the future in the confident assurance that the State will not fail to make provision to the utmost of its ability, and that the University will not fail to carry on in spite of any and every difficulty it may encounter.

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NORTH CAROLINA RENEWS OBLIGATIONS

APRIL 14, 1933

Upon the basis of the substantial economies which have been accomplished through the appropriation bill adopted by the present General Assembly, including its provisions for the meeting of our maturing obligations, and in the expectation that a revenue bill will be finally adopted which will unquestionably provide sufficient revenues to cover these appropriations—thus accomplishing in fact and not simply a theory, a balanced budget—we were able finally to secure a sixty-day renewal of the State's obligations.

These concessions were obtained only upon assurances that we confidently believed that a balanced budget would be manifest after the legislature had finally acted upon revenue measures.

The representatives of each of the banks present several times expressed the highest praise of the economies which have been accomplished in North Carolina in the appropriation bill adopted by this General Assembly. The governor challenged comparison of this record with that of any governmental unit on the continent, and none surpassing or even equaling it could be recalled.

It was pointed out that prior to January 1, 1933, the cost of

the state government of North Carolina (exclusive of debt service, which of course has increased and cannot be diminished) had been reduced approximately 33 $\frac{1}{3}$  per cent. It was further pointed out that appropriations made by the General Assembly of 1933 for all purposes other than debt service during the next biennium amounted to \$56,530,695.00, as against \$83,486,854.00 appropriations by the last General Assembly for the same purposes. Thus it is manifest that this present legislature has reduced the cost of government in North Carolina for the biennium an additional \$26,956,157, or 32.13 per cent. Teachers' salaries have been cut 32 per cent under 1929 levels and the salaries of other governmental employes 38 per cent under the same levels. An eight months school term has been provided for at a cost of \$2,000,000 less than was made for a six months term plus extended term aid at the last General Assembly and with an additional ad valorem relief to homes, farms, and other property owners of seven to eight million dollars. Here is economy with a big E; tax relief with a big R, and the absolute answer to all suggestions that this legislature has not cut expenses or economized. Neither the United States government nor that of any state in the Union can compare records with this.

At present there is not a market for bonds. It is doubtful if we could sell bonds to take care of the 12 $\frac{1}{2}$  million of our deficit<sup>1</sup> even at 6 per cent; certainly we could not sell any additional re-funding bonds to take care of our maturities in the next biennium. This difficulty will be increased when the vast bond issues contemplated by the United States government are offered for sale. With an absolutely balanced budget we are confident that North Carolina's credit can be preserved, but its preservation is dependent upon this accomplishment. Previous legislatures of North Carolina have in specific terms pledged to the payment of its obligations not only its "full faith and credit," but its "taxing power" as well. Difficult and hard as it may be to bear taxes, the people's honor, as well as their institutions and traditions, are at stake.

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<sup>1</sup>This deficit accumulated during the Gardner administration when the depression so drastically reduced the revenue. The 1933 legislature made provision for floating it by a bond issue.

## FINE SPIRIT OF STATE EMPLOYEES REWARDED

JUNE 29th, 1933

In recognition of the fine spirit which has been shown by the employees of the State in accepting a 25 per cent budget reduction<sup>1</sup> and in view of the fact that Monday, July 3, is sandwiched between two legal holidays, the governor has authorized the extension of the holiday from Saturday afternoon July 1st, to Wednesday, July 5.

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## APPOINTMENT OF STATE HIGHWAY AND PUBLIC WORKS COMMISSION

JUNE 11, 1933

The governor announced that after several conferences the larger details of the merger of the highway and prison departments under an act of the last General Assembly have been worked out and that Mr. E. B. Jeffress would become chairman under the new organization and Mr. George Ross Pou<sup>2</sup> executive director. For the time being, Mr. Pou will act as superintendent of the prison division. The governor revealed also that while a flattering number of friends throughout the State had urged Mr. Pou's appointment to the chairmanship, Mr. Pou himself, in line with his statement to that effect before the reorganization committee of the General Assembly, had stated that he did not desire the chairmanship. The new organization will take effect on July 1, next.

At the same time announcement was made of the following as Highway and Public Works commissioners: Charles Whedbee, Perquimans County; W. C. Woodard, Nash County; James A. Hardison, Anson County; Luther Hodges, Rockingham County; Ross Sigmon, Rowan County; Frank W. Miller, Haywood County.

<sup>1</sup>On January 11, 1931, Governor Gardner recommended and the Legislature enacted a law reducing the salaries of all state employees 10 per cent. On March 1, 1932, Governor Gardner, as director of the budget, reduced the salaries of all state employees another 10 per cent. On March 1, 1933, Governor Ehringhaus, who had been in office since January, 1933, as director of the budget again reduced all salaries of state employees 25 per cent. The Legislature of 1933 authorized the salaries of all state employees reduced on an average of 38 per cent from the 1931 level.

<sup>2</sup>George Ross Pou had been superintendent of the State Prison from May 1, 1921, having been appointed superintendent by Governor Cameron Morrison upon the death of E. F. McCulloch.

The governor voiced also the highest appreciation of the services of the present highway and prison boards and regretted that he could not retain their entire membership. He explained that in deference to an insistent and state-wide feeling that appointments should go to counties not hitherto represented, an entirely new board was deemed advisable. It was pointed out that each member hails from a county which never before has had representation on the Highway Commission and that every section of the State is represented.

At the same time announcement was made of the appointment of A. J. Maxwell as commissioner of revenue.

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## RESIGNATION OF HENRY BURKE

JUNE 30, 1933

Mr. Henry Burke,<sup>1</sup> after having served the state of North Carolina in a most capable and efficient manner as assistant director of the budget bureau for a number of years, has announced his desire to retire. I am therefore announcing the appointment of Honorable Frank L. Dunlap of Wadesboro, Anson County, as assistant director of the budget bureau, effective as of July 1, 1933, in succession to Mr. Burke.

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## COTTON ACREAGE REDUCTION PROGRAM

JULY 6, 1933

The farmers have for a long time clamored for assistance from the government in obtaining a fair price return for their crops. For the first time in the history of the country a really worth-while contribution to this end has been made by the government. The government's offer presents a real opportunity for the betterment of agricultural conditions, and if this plan should fail it will be almost impossible ever again to secure a like chance. To me the government's proposition seems one-sided; the farmer cannot lose and he may win substantially. In truth and in fact, so far as he is concerned it is a "head I win, tails you

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<sup>1</sup>Mr. Burke was North Carolina's first assistant director of the Budget Bureau and served eight years in this capacity.



lose" proposition, and no farmer can afford to stay outside. Already the prospect for success of the plan has been a potent factor in boosting the price of cotton for the first time in a long period to above ten cents. We might as well recognize the fact, however, that if the plan should fail we would witness immediately and almost certainly a fall in price. Here is the chance for the farmer to benefit himself at the government's risk and expense. It seems to me not only the patriotic duty of the farmers and citizens of North Carolina to cooperate in the great enterprise and opportunity which a Democratic President and Congress has given them, but it would seem that their own best interest would prompt them to so do.

To wait on one's neighbor to sign is a dangerous expedient. I earnestly hope that North Carolina farmers will promptly take advantage of the opportunity that confronts them and do their part in bringing to a successful culmination this practical and worth-while venture in real farm relief. Failure can come about only if the farmers themselves fail to take advantage of the opportunity presented. Instead of reaping the benefit by waiting on our neighbors to sign, we will, in my judgment, bring disaster to our neighbors as well as ourselves. Estimates indicate that approximately \$6,000,000 will be available to the North Carolina farmers almost immediately upon the successful conclusion of the program. The time is short and immediate action is necessary. I call upon all actively interested in putting across the campaign to redouble their efforts in the two days of remaining time to accomplish this great enterprise.

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## THE CODE FOR INDUSTRIAL RECOVERY

JULY 27, 1933

It is my understanding that the President is mailing today to all parts of the Union the blanket code which has been adopted in connection with his efforts toward industrial recovery in the Nation, with the suggestion that it become effective August 1. In this connection I desire to call upon the people of North Carolina in general and industry in particular to take steps for an effective and prompt cooperation with the President in his efforts toward the rehabilitation of the Nation and the recovery of an industrial prosperity.

I am sure that all employees will read carefully this appeal and exercise themselves to conform, so far as possible, in both letter and spirit, with the suggestions which it contains. With the Nation struggling in a great crisis and without regard to trivial disagreements, it is manifestly the duty of all citizens at this time to lay these aside and present a united front in the fight to bring about the recovery toward which we have set our hearts and our hopes and our best energies.

The appeal which is here made is based not merely upon what would seem to be the dictates of good business and sound policy, but upon the larger suggestions of patriotism and humanity. The people of North Carolina have never failed to measure up to the high demands of a crisis, and I am counting upon a whole-hearted coöperation at this time.

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## NORTH CAROLINIANS URGED TO JOIN IN EFFORT TO BREAK STRANGLEHOLD OF NEW YORK MONEY LENDERS

AUGUST 10, 1933

In line with a plan suggested by me in the recent conference called with representative North Carolina bankers, it has been arranged to renew the State's short-term obligations<sup>1</sup> held by North Carolina banks at 4½ per cent and that an additional 20 per cent of the present New York holdings will be immediately absorbed in our State. The necessity for financing fall crop marketings prevents the immediate consummation of the plan including further reduction in interest rate. It is thought that the remainder of present New York holdings will be absorbed by our North Carolina institutions and individuals at the next renewal period, thus breaking the hold of the New York banks upon North Carolina, substantially reducing its borrowing rate, appreciating the value of all North Carolina state bonds, and providing as well profitable and sound investment at home for North Carolina deposit accumulations now in New York banks

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<sup>1</sup>During the depression Governor Gardner had found it necessary to borrow \$12,500,000.00 on short term notes from New York banks. The Legislature of 1933 made provisions to float this deficit by issuing short-term bonds. In the meantime Governor Ehringhaus was able to renew these notes by getting North Carolina banks interested in them. After the bond market improved bids were received on June 12, 1934, at which time \$12,230,000.00 in bonds were sold. For authorization of this bond issue, see *Public Laws of North Carolina, 1933*, Chap. 330.

which are presently yielding no interest return to North Carolina customers and depositors.

The fine patriotism of North Carolina's own institutions and individuals in cooperating with the State in this campaign will result in a constantly increasing flow of North Carolina money from New York back to North Carolina, will aid and accomplish further savings to the State, and will yield handsome profits as well to North Carolina citizens and institutions whose money has been lying idle and unprofitable in the vaults of the great New York banks.

I look forward confidently to the day when the annual drain of interest money on state obligations, held out of the State, will be stopped, her bonds and obligations all owned in the State and the stranglehold of non-resident money lenders forever broken. All North Carolina depositors in New York banks are invited to cooperate in this patriotic undertaking.

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## BUDGET REPORT

AUGUST 11, 1933

The Budget Bureau has no desire at this time, or in the future, to enter into any controversy. From time to time it becomes the duty of the Bureau to report facts. We have just reported the fact that the state debit balance as of June 30, 1933, amounted to \$14,962,208. This sum, as determined, does carry items of anticipated revenue for past due taxes. Without carrying such items a true statement of the State's financial condition could not be shown. It is a common matter practiced in general business to carry accounts receivable and in making out the debit balance of the State we followed this custom. The values placed upon such items are reasonable and beyond doubt they will be realized. The difference between the debit balance as shown by the state auditor and the Budget Bureau is due to the fact that the Budget Bureau carries items of taxes past due and receivable and the state auditor's statement does not. There are no differences otherwise.

The Budget Bureau does not like to deal in matters of one administration. We are earnestly concerned about the condition of the state of North Carolina. Much has been said about the Gardner administration and the Gardner expenditures. In simple

justice to all, with full facts to the public, we submit the following:

At the beginning of the fiscal year 1929-1930, the beginning of the Gardner administration, there was an authorized and issued bonded indebtedness of the state of North Carolina of \$165,342,600, together with an authorized, but unissued bond issue of \$16,557,000, making a total authorized bonded indebtedness of \$181,899,600. At this time there was in the general fund a cash balance of \$2,048,939. Against this surplus, together with provided revenues, the General Assembly of 1929 appropriated for the biennium, 1929-1931, the combined total of the surplus and the estimated revenues which failed to meet the appropriations of the General Assembly of 1929 by the sum of \$2,333,550 and although expenditures were reduced below legislative appropriations by \$3,561,200, reduced actual collections left a debit balance of \$2,231,198 on June 30, 1931. This accounts for the use of the surplus which had existed June 30, 1929.

In connection with this statement it should be stated that during the period beginning July 1, 1929, and ending June 30, 1933, the Budget Bureau reduced and withheld expenditures which with reverted items totaled the sum of \$8,746,009. The percentage withheld, reduced and reverted is very large when applied to controllable items, the major portion of expenditures during this period of time consisting of uncontrollable items.

Returning to the bonded indebtedness of \$181,899,600 as of June 30, 1929, which includes both the issued and authorized to be issued, and its relations to the present indebtedness of the State between June 30, 1929, and July 1, 1933, bonded indebtedness to the extent of \$17,185,600 was paid and \$4,370,000 bonded indebtedness was authorized. Of the authorized amount the sum of \$1,500,000 has never been issued, and against it, no commitments have been made. This leaves as of June 30, 1933, the bonded indebtedness of the State at \$184,769,600, less payments as above mentioned of \$17,185,600, or the sum of \$167,584,000, to which should be added the debit balance of \$14,962,208, making a total indebtedness of \$182,546,208.

In considering the indebtedness as of June 30, 1933, as \$182,546,208, the fact that the sum of approximately \$3,250,000 has been put into the sinking funds of the State during the period beginning July 1, 1929, and ending June 30, 1933, should be considered, which would reduce the total liability to approximately



\$179,296,208, which is less than the authorized and issued debt as of June 30, 1929, less the surplus existing on that date.

Should the question of administration become the matter of determination the first matter for enquiry is whether or not the Gardner administration is chargeable with the expenditure of authorized but unissued bonds amounting to \$16,557,000. In fairness it should be stated that these moneys were spent to pay obligations incurred by prior administrations, for which commitments had already been made and which were beyond the control of the Gardner administration. This last statement would possibly occasion a great deal of discussion and the result might be different opinions to some extent, but in the main it is fully correct.

This explanation relates to the general fund of the state of North Carolina.

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## STATE AGENCIES AID RED CROSS IN RELIEF

SEPTEMBER 19, 1933

The governor authorizes the statement that he has designated the American Red Cross as the official relief agency in connection with the damage done by the storm in Eastern Carolina. All state agencies which can aid in the work of relief and rehabilitation are alert and on the job and will furnish every possible assistance and coöperation.

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## APPOINTMENT OF A. S. BROWER AND J. W. HARRELSON

SEPTEMBER 25, 1933

Governor Ehringhaus today announced the appointment of Col. J. W. Harrelson<sup>1</sup> as a member of the Board of Conservation and Development and the reappointment of A. S. Brower as director of Purchase and Contract.

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<sup>1</sup>In 1929, J. W. Harrelson was appointed director of the Department of Conservation and Development by Governor Gardner. When Colonel Harrelson became administration dean of the Agricultural and Engineering College of the University of North Carolina he resigned as director, but was continued on the board.

## NORFOLK SOUTHERN RAILROAD AD VALOREM TAXES

SEPTEMBER 25, 1933

The governor's office was advised, under date of September 22, that an order would be drawn and presented to Judge Way<sup>1</sup> of the Federal Court for signature allowing the payment of past due ad valorem taxes by the Norfolk Southern Railroad in North Carolina, and that it is thought by the receivers that this authority will be obtained within the next fifteen days. The governor has been urging this matter for some time upon the receivers of the Railroad and it is thought that the announcement will be of much interest to the various counties and municipalities concerned.

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## RESIGNATION OF DR. MERCER C. PARROTT

OCTOBER 2, 1933

The governor's office announced the resignation of Dr. Mercer C. Parrott of Kinston from the directorate of the Caswell Training School, tendered because of the ineligibility of more than one member from the same county; Chairman Webb of the board is also from Lenoir.

In connection with the acceptance of Dr. Parrott's resignation the governor paid high tribute to the fine work he had done on the board during the week's period of his service. The vacancy will be filled later.

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## NORTH CAROLINA PARENT-TEACHER WEEK

OCTOBER 4, 1933

It is my understanding that the week of October 23rd has been set aside as North Carolina Parent-Teacher Week, during which time the annual membership enrollment of this association will be in progress. I invite the sympathetic attention of the people to this activity and effort. It concerns itself with improve-

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<sup>1</sup>Judge Luther B. Way of Norfolk, Va., was Federal judge of the Eastern District of Virginia.

ment of opportunity for our children and the membership involves advance endorsement of no particular policy, but only an organized effort to promote child opportunity.

It is a worthy cause and I ask at the hands of our people sympathetic and interested coöperation.

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## APPOINTMENT OF COMMITTEE FOR SCENIC HIGHWAY

OCTOBER 14, 1933

Governor Ehringhaus today announced the appointment of the following members of the Park to Park Scenic Highway Committee:

Hon. Josiah W. Bailey, Wake County; Hon. R. R. Reynolds, Buncombe County; J. Q. Gilkey, McDowell County; A. L. Gwyn, Caldwell County; John P. Randolph, Swain County; Hon. R. L. Doughton, Alleghany County; Rueben B. Robertson, Sr., Haywood County; Francis O. Clarkson, Mecklenburg County and Charles Hutchins, Yancey County.

The governor also announced that he had requested Hon. E. B. Jeffress, chairman of the State Public Works and Highway Commission, to confer with the committee and, as far as consistent with state policies, to render all possible aid.

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## VOTING IN THE ELECTION

NOVEMBER 8, 1933

The only question in this election<sup>1</sup> is whether North Carolina will or will not consent to the elimination of the 18th amendment from the Constitution. I am voting in the affirmative. My pre-election statement, issued in October, 1932, if read in full, completely covers the question. The first sentence reveals my individual attitude; the next two forecast clearly my vote today and record the reason for it. The remainder of the statement

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<sup>1</sup>This statement was issued when Governor Ehringhaus was questioned as to how he was voting on the question of calling a convention for repealing the 18th amendment to the Constitution of the United States. The Legislature of 1933 had passed an act authorizing the people to vote for or against the convention. See *Public Laws of North Carolina, 1933*, Chapter 493.

sets out my views on other phases of the prohibition question; and the whole represents my conscientious convictions then and now.

During this campaign I have refrained from making categorical replies as to how I would vote—because I desired to avoid anything that might seem intended to influence the votes of others on this question or to inject our state party organization as such into the contest. There are good Democrats holding both views of this question and each is entitled to vote his own convictions, without political restraint or coercion.

The full statement made in October, 1932, was as follows:

I am personally dry. I am also a Democrat and believe that the will of the majority should control as to candidates and governmental policies. Believing in this fundamental principle of Democracy, I stand upon the platform of my party. There is room in our ranks for every shade of opinion, on this question.

I wish, however, to emphasize my opposition to and determination to fight the return of saloons to North Carolina. I shall also vigorously oppose any effort to change the law prohibiting the manufacture and sale of liquor in the state of North Carolina without a vote of the people.

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## RED CROSS ROLL CALL

NOVEMBER 11, 1933

On Armistic Day, commemorating as it does the close of a great struggle in which the American Red Cross<sup>1</sup> played so conspicuous a part, it seems most fitting that we should recognize this great agency of mercy by an appeal to the people for its support. This is particularly true in North Carolina, where the recent great storm and its consequent distress gave us opportunity for added proof of the efficiency and worth-whileness of this activity.

I feel that I do but voice the gratitude of our people, therefore, and our common desire for opportunity to contribute to worthy causes when I call upon them at this time to answer the Red Cross roll call and join its membership. It is my earnest wish that the response in North Carolina may be such as to reflect in a very real way the spirit of broad charity and approval of consecrated service which is so characteristic of its people.

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<sup>1</sup>This statement was issued at the request of James L. Fieser, *Acting Chairman*, American Red Cross, National Headquarters, Washington, D. C.



## SALES TAX

DECEMBER 15, 1933

From these tabulations<sup>1</sup> it is apparent that the action of the last Legislature afforded property tax relief throughout the State amounting to \$11,476,540.00, and that, upon the basis of sales tax collections for the first quarter, there would be a relief in the total tax burden in the State of \$6,323,548.00. In other words, sales tax collections on this basis would be this much less than property taxes which they relieved and the people's burden diminished by this amount. Even allowing for the anticipated increase in sales tax collection for which the Revenue Department is looking, there is still manifestly a relief to the taxpayers of North Carolina of many millions, and the tax is being paid in installments rather than in bulk.

A significant thing about the tables is that they show that this relief is universal; that is, that it has been given in every one of the one hundred counties, in each of which the contribution of the county is lower under the present arrangement than before. It is notable that even in counties like Mecklenburg, Forsyth, Guilford, Durham, and Wake, the tax burden upon the county is greatly decreased. And while in some counties the local conditions have been such that local authorities have increased levies for other purposes and the people of the county thus have not received the full benefit of the legislative action, the responsibility for this rests upon local groups, the relief having been given by the State.

It is also noteworthy that in these tables Mecklenburg is credited with sales taxes collected from large chain store groups and oil companies which are in fact collected through many stores scattered over the entire State but returned through the central office in Mecklenburg. Their local relief is therefore much greater than the table figures, as such collections constitute nearly half of her total sales tax returns. To a less extent this applies also to Guilford, Forsyth, Buncombe, and perhaps some others.

The Revenue Department is preparing, and will give to the

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<sup>1</sup>Tabulations were prepared by the Revenue Department showing property tax reductions afforded through action of the last Legislature by removal of the 15 cent levy for school and the elimination of the levy for current expenses for district, county-wide, and special charter schools; also tabulations showing amount of sales tax collections in each county in North Carolina for the months of July, August, and September, comprising the first quarter in this fiscal year, and affording a basis for estimated sales tax reduction during the year. (This is Governor Ehringhaus's footnote—Editor.)

press throughout the State, a statement of the situation as affecting each county. Publication of these tables is an interesting contribution to a study of the tax situation in North Carolina and gives to the people definite information upon them before the last Legislature and the burdens which they now bear. Through the sales tax and state-wide school legislation, a heavy burden has been lifted from the people of the State and every single county in North Carolina has shared in this relief. Exact figures as to present levies will be presented later, as soon as the information regarding the levies in all the counties is available.

## TABULATIONS

<i>County</i>	<i>15 Cent Levy</i>	<i>Sales Tax</i>
Alamance . . . . .	\$ 54,046	\$ 96,654
Alexander . . . . .	12,329	8,788
Alleghany . . . . .	7,818	3,712
Anson . . . . .	30,767	27,357
Ashe . . . . .	18,629	9,257
Avery . . . . .	12,503	5,724
Beaufort . . . . .	42,884	36,874
Bertie . . . . .	21,837	12,083
Bladen . . . . .	19,048	18,034
Brunswick . . . . .	12,920	5,345
Buncombe . . . . .	246,988	219,600
Burke . . . . .	44,993	39,636
Cabarrus . . . . .	68,118	83,086
Caldwell . . . . .	33,806	58,667
Camden . . . . .	5,187	2,420
Carteret . . . . .	20,997	18,064
Caswell . . . . .	12,704	2,910
Catawba . . . . .	62,519	66,714
Chatham . . . . .	27,151	15,174
Cherokee . . . . .	14,514	8,726
Chowan . . . . .	14,235	12,665
Clay . . . . .	3,725	1,788
Cleveland . . . . .	58,606	61,658
Columbus . . . . .	31,708	48,364
Craven . . . . .	43,532	38,035
Cumberland . . . . .	39,893	65,958
Currituck . . . . .	7,676	3,584
Dare . . . . .	3,937	6,608
Davidson . . . . .	60,202	65,467
Davie . . . . .	19,573	14,192
Duplin . . . . .	34,020	23,033
Durham . . . . .	160,498	148,541
Edgecombe . . . . .	51,856	44,821

Forsyth . . . . .	328,578	194,392
Franklin . . . . .	21,890	14,000
Gaston . . . . .	159,182	155,032
Gates . . . . .	11,157	2,020
Graham . . . . .	11,007	3,500
Granville . . . . .	31,448	14,941
Greene . . . . .	17,169	4,846
Guilford . . . . .	332,320	308,597
Halifax . . . . .	59,293	60,248
Harnett . . . . .	37,125	37,424
Haywood . . . . .	40,788	43,854
Henderson . . . . .	40,281	38,581
Hertford . . . . .	16,156	17,729
Hoke . . . . .	14,143	5,786
Hyde . . . . .	7,069	4,566
Iredell . . . . .	70,495	61,667
Jackson . . . . .	15,959	12,023
Johnston . . . . .	61,106	41,012
Jones . . . . .	6,679	5,402
Lee . . . . .	21,617	30,538
Lenoir . . . . .	39,819	47,976
Lincoln . . . . .	23,701	28,476
Macon . . . . .	10,591	10,942
Madison . . . . .	15,317	10,312
Martin . . . . .	23,327	8,149
McDowell . . . . .	30,120	29,856
Mecklenburg . . . . .	292,989	589,803
Mitchell . . . . .	13,638	13,388
Montgomery . . . . .	26,122	16,640
Moore . . . . .	39,580	26,818
Nash . . . . .	47,781	54,832
New Hanover . . . . .	90,067	111,275
Northampton . . . . .	21,896	12,321
Onslow . . . . .	13,671	8,241
Orange . . . . .	27,120	22,782
Pamlico . . . . .	7,225	3,460
Pasquotank . . . . .	27,933	35,614
Pender . . . . .	14,981	6,877
Perquimans . . . . .	12,076	7,840
Person . . . . .	20,720	16,817
Pitt . . . . .	66,791	62,340
Polk . . . . .	10,336	8,329
Randolph . . . . .	42,000	37,168
Richmond . . . . .	45,142	42,900
Robeson . . . . .	51,240	60,625
Rockingham . . . . .	69,783	83,082
Rowan . . . . .	108,527	89,614
Rutherford . . . . .	50,183	43,054
Sampson . . . . .	36,079	27,076
Scotland . . . . .	19,518	22,401



J. C. B. Ehringhaus—from a portrait by W. Selby Harney.





Stanly . . . . .	49,534	38,736
Stokes . . . . .	18,640	4,781
Surry . . . . .	47,530	46,888
Swain . . . . .	12,081	6,169
Transylvania . . . . .	13,924	10,275
Tyrrell . . . . .	5,513	3,588
Union . . . . .	35,384	32,394
Vance . . . . .	30,750	77,430
Wake . . . . .	141,506	171,280
Warren . . . . .	19,288	14,183
Washington . . . . .	12,003	7,885
Watauga . . . . .	12,448	14,727
Wayne . . . . .	67,125	51,442
Wilkes . . . . .	26,002	34,958
Wilson . . . . .	70,844	50,404
Yadkin . . . . .	13,567	5,681
Yancey . . . . .	11,110	4,513
Out of State . . . . .	-----	679,628
Totals . . . . .	\$4,488,203	\$5,123,667

## URGES TOBACCO SIGN-UP

DECEMBER 22, 1933

A complete sign-up for all flue-cured tobacco growers is essential to the success of the AAA tobacco control program. I wish to urge all growers who have not yet signed contracts for reduction of their weed crops next year to do so at once, so that the full benefits of the program can be provided without delay.

In the event that only 60 or 70 per cent should enter into these contracts there is not only danger of price demoralization next year but of an immediate and great price falling before complete disposition of the present crop. This will not result because of the unwillingness of domestic buyers to live up to their agreements—but largely because speculators and foreign buyers will most likely refuse to pay high prices if indications point to a bumper crop with rock bottom prices next year.

This tobacco program is the government's response to the growers' appeals for help, and with the full and hearty coöperation of the growers it will be a lifesaver to tobacco producers of this State and of the Nation. But should the growers fail to do their part in putting over the control program inaugurated for their own benefit and at their own request, they would be in

poor position to appeal to the government again for help when prices touch bottom, as they would most likely do. The government has done its part in securing a raise of this year's prices by the manufacturers and in offering to pay the growers direct cash benefits for cutting down their crops, and it is now squarely up to the growers to do their part by signing. It is a simple procedure of self defense.

I am glad to learn that the program has made good progress in this State and I sincerely hope it will soon be brought to a successful close. I wish personally to thank growers who have signed for their enthusiastic coöperation with the farm agents and the AAA. I understand that about one-half of the State's flue-cured growers have done so. This is very encouraging. Let's do our part and stand by our government's program.

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## SEASON'S GREETINGS TO STATE OFFICERS

DECEMBER 24, 1933

May I not take this method of conveying to each and every one of you my good wishes for the utmost of the season's blessings and my thanks for a year of fine service and coöperation. Your sacrifices and your efforts and, above all, the spirit which you have put into your work is greatly appreciated by your governor and fellow-worker.

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## STATEMENT CONCERNING HIGHWAY ACCIDENTS

DECEMBER 24, 1933

The constantly mounting recklessness in the use of our highways is appalling. One hundred and five killed, five hundred and twenty-seven injured, forty of the killed and seventy-five of the injured being pedestrians, is the record for November in our State. Such carnage equals that of war and amounts to a public scandal and disgrace. Our highways, intended as a means of convenience and pleasure to our citizens, are becoming a menace.

Recklessness and drunken driving must be stopped. I am

directing our highway patrol to begin at once a most vigorous campaign against such drivers in our State, and I am calling upon all law enforcement officers to coöperate fully and effectually in this enterprise. At the same time I beg the coöperation and sympathetic assistance of our law-abiding citizens in clearing the highways of dangerous drivers. The lives of innocent men, women, and little children must not be endangered by the reckless indifference of a relative few who abuse the privilege the State provides for them. Let us see what a month of real effort can do toward checking this bloody tide.

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## HOME FORECLOSURES

JANUARY 10, 1934

My attention having been called to the large number of home foreclosures during the period of the last eleven months as compared with the same period of the preceding year, I venture to ask all loan agencies and mortgage holders to exercise all possible forbearance in connection with the foreclosure of homes, and in all worthy or distressed cases to seek the assistance of the Federal agencies for home relief which have been provided. My concern, of course, is for the worthy home owner, who is entitled to consideration and assistance and my request is that in all such cases before foreclosure, opportunity be provided for Federal assistance where possible.

We are trying to work out of the depression and I am sure that it is the desire of all agencies, in so far as sound business permits, to postpone foreclosure until the Nation has an opportunity to make substantial progress on the road to recovery.

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## REORGANIZATION OF THE DEPARTMENT OF REVENUE

JANUARY 12, 1934

Studies have been under way for some time of the operations of the Department of Revenue with the view of making such readjustment in its operations as will make it adequate for its greatly increased responsibilities and insure its most efficient operation.



By statutory provision in the budget act and in the revenue act the Budget Bureau has the responsibility of prescribing the system of accounting in the Department of Revenue. The governor, as director of the budget, and the commissioner have had the assistance of Dr. M. C. S. Noble, Jr., executive assistant commissioner, Mr. George G. Scott, experienced accountant, Mr. Frank L. Dunlap, assistant director of the budget, and his experienced technical assistant, Mr. R. G. Deyton, in making this survey.

The necessity for important structural changes arises from the tremendous increase in the scope of the operations of the department. It is now collecting annually a larger sum of revenue than was collected at the time of the creation of the department in 1921 by all tax collecting agencies in the State—state, county, and municipal. Its functions were heavily increased by the last General Assembly, in providing revenue for the total cost of the public school system of the State. Many forms of taxes levied for the State's general fund were increased for this purpose, and new schedules adopted in addition to the sales tax. The operations of the department were further enlarged by the transfer to it of the highway patrol, administration of the gasoline inspection tax, and the investigation work of the tax commission.

In the beginning of the fiscal year, there was set up in the department a new division to handle the sales tax, and the field organization was increased from eighteen to sixty-two. The necessity for an adequate increase in responsible supervision, to handle these increased responsibilities, was immediately recognized, but has awaited the result of reorganization studies, intended to determine at the same time the structural changes that should be made in the general system in operation in the department.

In a spirit of coöperation, all parties participating in the study have agreed upon the following changes and they are therefore approved for adoption by the commissioner.

The various departmental units will be grouped into two major divisions with each division under the supervision of a competent director. These two major divisions will be known as the Division of Assessments and Collections and the Division of Accounts and Records.

The Division of Assessments and Collections will exercise a supervision over the following subdivisions: inheritance, income, franchise, combined license and beer, and sales tax. The

Division of Accounts and Records will exercise a supervision over the following subdivisions: cashier, accounting, statistical information, stores, and supplies.

The position of director of the Division of Assessments and Collections will be filled by the transfer of Mr. Harry McMullan from the head of the sales tax division, giving him the responsibility of supervision of all the subdivisions assigned to that major division, which includes the sales tax division. The position of director of accounts and records will be filled by appointment of Mr. George G. Scott, who will have responsibility of supervision of the subdivisions assigned to that major division. Mr. Scott has severed his connection with the auditing firm bearing his name to accept this position.

Each of these major divisions will have contact with the field organization through the chief supervisor of the field organization.

The governor has assigned to Dr. M. C. S. Noble, Jr., as executive assistant commissiонер, the supervision of the installation of the new system and of all departmental operations.

Mr. O. S. Thompson will continue his connection with the department under the title of executive secretary of the State Board of Assessment.

The new system is intended to provide more adequate supervision of all operations, a more thorough follow-up system on collections, and much more thorough accounting and analytical records. The reorganization plan, however, is not expected to increase costs of operation or personnel. Some of the changes contemplated will necessarily have to be made by a gradual process, but the installation of the new plan will begin at once.

The Department of Revenue occupies a distinctive place of increasing importance in our governmental system. Every function of our state government, including schools and roads formerly supported by locally collected property taxes, is now wholly dependent upon the successful functioning of this department. Its organization must be adequate for this great task and it must be operated intelligently, coöperatively and efficiently.

ASSOCIATE UTILITIES COMMISSIONERS  
APPOINTED

JANUARY 12, 1934

I am happy to announce the appointments and acceptances as associate utilities commissioners of Dr. William Louis Poteat of Wake Forest, North Carolina, president emeritus of Wake Forest College, and of Professor Frank William Hanft of the University of North Carolina. At great sacrifice to themselves they have agreed to accept the responsibilities of these positions, solely in a spirit of service to their State. Dr. Poteat truly belongs to all of North Carolina and the position which he holds in the hearts of its citizenship and the confidence which he universally enjoys gives added assurance that the actions of the commission will be beyond the suggestion of unfairness either to the public or the utilities which may from time to time be concerned. The breadth of his learning has compassed many subjects and his experience includes a service under appointment by Governor Craig as a member of the Special Rate Commission to investigate freight transportation charges within the state of North Carolina. Professor Hanft is especially expert in the field of public utilities, having particular charge of this subject in the University law faculty and having given much of his time and effort to the study of this subject and contributed several interesting publications in this field, including a treatise on "The Regulations of Public Utilities in Minnesota." He has been working for some time also on the general subject of commission control of utility rates.

To the fine judgment and experience of Mr. Winborne these two associates will bring the knowledge of disinterested experts, broad experience, thorough knowledge of the State, its needs and problems, sound scholarship and a capacity for patient and intelligent correlation of facts, unquestioned fairness and patriotic sincerity.

I am confident that the people of North Carolina will approve these selections.

## SALES TAX COLLECTIONS

FEBRUARY 18, 1934

We attach hereto a tabulation<sup>1</sup> showing the sales tax collections for the six months period, beginning July 1, and ending December 1, 1933. This tabulation reflects the sales tax collected up to the closing of the books at noon on the 30th day of January, 1934, representing sales made in the first six months of the sales tax year and the last six months of the calendar year. The collections do not indicate the total earnings of tax for this period, as deferred payments covering sales made in the period will not be reflected until received and credited at a later date.

Further earnings of the tax in the first six months are represented in collections not yet made from merchants and since the closing of our books substantial returns for the first six months period have been received which will be reflected in later reports as collected in later months. This statement is made to call attention to the fact that earnings of the tax for the first six months period are not completely shown in this collection report.

In this tabulation there has been allocated and distributed to the various counties their proportionate part of the collections from chain stores reporting in this State and from outside offices. The tabulation, therefore, reflects approximately the earnings of the tax collected in the various counties.

Attached also is an additional table showing the relief afforded by the last legislature of property taxes compared with the sales tax payments for the year in respective counties, based upon double the collections for the first six months period.

SALES TAX COLLECTIONS FOR THE SIX-MONTH PERIOD  
ENDING JANUARY 30, 1934—BY COUNTIES

Alamance . . . . .	\$ 69,791	Brunswick . . . . .	4,206
Alexander . . . . .	6,222	Buncombe . . . . .	143,284
Alleghany . . . . .	2,510	Burke . . . . .	28,692
Anson . . . . .	25,028	Cabarrus . . . . .	58,794
Ashe . . . . .	6,201	Caldwell . . . . .	37,687
Avery . . . . .	3,595	Camden . . . . .	1,492
Beaufort . . . . .	34,736	Carteret . . . . .	13,104
Bertie . . . . .	11,643	Caswell . . . . .	3,355
Bladen . . . . .	12,305	Catawba . . . . .	50,405

<sup>1</sup>Receipts from all chain store taxes for chains doing business in numerous counties collected in some cases from principal offices in some county in this State and, in other instances, from head offices out of the State, were prorated to all counties in this table. (Governor Ehringhaus's note—Editor.)



Chatham . . . . .	11,814	Mecklenburg . . . . .	280,098
Cherokee . . . . .	7,359	Mitchell . . . . .	9,194
Chowan . . . . .	8,870	Montgomery . . . . .	10,833
Clay . . . . .	1,150	Moore . . . . .	22,215
Cleveland . . . . .	47,099	Nash . . . . .	56,161
Columbus . . . . .	33,651	New Hanover . . . . .	80,386
Craven . . . . .	34,805	Northampton . . . . .	10,958
Cumberland . . . . .	49,287	Onslow . . . . .	7,136
Currituck . . . . .	2,660	Orange . . . . .	17,787
Dare . . . . .	4,392	Pamlico . . . . .	2,941
Davidson . . . . .	47,442	Pasquotank . . . . .	26,598
Davie . . . . .	10,922	Pender . . . . .	5,477
Duplin . . . . .	20,409	Perquimans . . . . .	6,575
Durham . . . . .	118,542	Person . . . . .	16,087
Edgecombe . . . . .	44,360	Pitt . . . . .	75,380
Forsyth . . . . .	156,896	Polk . . . . .	5,271
Franklin . . . . .	14,924	Randolph . . . . .	27,347
Gaston . . . . .	102,007	Richmond . . . . .	33,489
Gates . . . . .	1,956	Robeson . . . . .	64,101
Graham . . . . .	2,575	Rockingham . . . . .	63,828
Granville . . . . .	16,646	Rowan . . . . .	64,815
Greene . . . . .	5,334	Rutherford . . . . .	35,069
Guilford . . . . .	223,241	Sampson . . . . .	21,676
Halifax . . . . .	48,087	Scotland . . . . .	17,321
Harnett . . . . .	33,085	Stanly . . . . .	29,519
Haywood . . . . .	29,012	Stokes . . . . .	5,029
Henderson . . . . .	24,336	Surry . . . . .	38,421
Hertford . . . . .	15,022	Swain . . . . .	5,688
Hoke . . . . .	6,170	Transylvania . . . . .	7,168
Hyde . . . . .	2,950	Tyrrell . . . . .	2,487
Iredell . . . . .	45,636	Union . . . . .	26,414
Jackson . . . . .	8,456	Vance . . . . .	31,421
Johnston . . . . .	41,823	Wake . . . . .	145,797
Jones . . . . .	4,510	Warren . . . . .	12,059
Lee . . . . .	28,389	Washington . . . . .	6,326
Lenoir . . . . .	60,502	Watauga . . . . .	8,915
Lincoln . . . . .	20,203	Wayne . . . . .	50,338
Macon . . . . .	7,473	Wilkes . . . . .	24,177
Madison . . . . .	7,593	Wilson . . . . .	54,962
Martin . . . . .	17,861	Yadkin . . . . .	4,654
McDowell . . . . .	20,135	Yancey . . . . .	2,994

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\$3,317,745

## NORTH CAROLINA IS SOLVENT, SAVING, SANE, AND SANGUINE

MARCH 2, 1934

You<sup>1</sup> ask me what the last year has meant to North Carolina. It is a difficult question to answer in a short space, but there is no doubt in my own or in the mind of the public generally that the year has been not only one of trial and tribulation but also one of great change and progress.

On Saturday, the fourth day of last March, the country had reached the very depths of the depression and the crowning blow came on the following Monday, when the President was forced to make proclamation closing every bank in the Nation. Since that time there has been a constant drive towards recovery, with results that are known to all.

And in the "New Deal," to which the public gives acclaim, North Carolina has played its part and made its own contribution. Indeed the Legislature and the executive in this State had begun the effort toward its accomplishment at the first of the year. Recognizing the precariousness of our fiscal situation, real steps in economy and tax relief had been instituted and the legislative wheels set in motion towards the attainment of substantial economies, while preserving essential state services.

Today we can contemplate a very real progress. The cost of state government has been reduced; the State's credit has been restored; the State's educational system has been carried on, in curtailment and under limitations, but as effectively as in any state in the Union. Banking in the State has been restored to a healthy condition and our banking institutions today are in a condition of such soundness as they have not enjoyed in many years. Indeed they have been able to assist the State greatly in its progress toward credit rehabilitation.

In agriculture, too, we have seen substantial rehabilitation. Aided by the State as well as the national government, our farmers are now realizing millions more for their crops than in the previous year. As a consequence, general business conditions have reflected this improvement and the increased purchasing power of our agricultural population has played a most important part in the general business improvements. Even our counties and municipalities have experienced a real benefit and im-

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<sup>1</sup>This statement on the economic conditions in North Carolina was made to the state press upon the invitation of the Associated Press.

provement through the payment of old tax bills which better farm prices have made possible. Industry in the Old North State has also manifested a distinct progress towards recovery and our people, in happiness, courage, and determination, are working their way back. The great leadership in Washington has been an inspiration as well as a driving force in accomplishing these things. The state administration and every department thereof, legislative and executive, has given earnest effort toward and played a substantial part in such recovery as has been achieved. The state government is not only functioning in economy and efficiency but also in constant desire to serve the interests of the whole people.

Today, as we face the future we know that the New Deal has bred hope, hope has bred confidence, and confidence is rapidly rebuilding the Nation. North Carolina is weathering the storm and is ready for the great days ahead. She is "solvent, saving, sane and sanguine."

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## BUILDING CODE<sup>1</sup> FOR NORTH CAROLINA

MARCH 30, 1934

I am much more concerned about protecting the people of North Carolina against additional costs of building, including enforced employment of architects, than about trying Mr. O'Bryan's patience. In consultation and coöperation with the Insurance Department of North Carolina I have been working to this end and I shall not hasten these appointments until every safeguard against such impositions be provided, even though such delay may tax someone's temper.

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<sup>1</sup>Mr. L. A. O'Bryan, an architect of Winston-Salem and president of the State Chapter of Architects, said that Governor Ehringhaus's delay in naming a building code for the State was costing small builders in North Carolina "Thousands of dollars each month." "... This has caused a grave injustice to the little man who is paying a big price for the governor's procrastination." He declared the State was operating under a twenty-seven year old building code. *The News and Observer*, March 8, 1934.

A new building code council was authorized during the 1933 session of the Legislature. *Public Laws of North Carolina, 1933*, Chapter 392.

## DELEGATES TO STREET AND HIGHWAY NATIONAL CONFERENCE

MAY 17, 1934

Governor Ehringaus has appointed the following as delegates to the National Conference on Street and Highway Safety, to be held in Washington, D. C., on May 23-25, 1934:

Harry Tucker, State College, Raleigh, N. C.  
Malcolm McDermott, Duke University, Durham, N. C.  
R. G. Cherry, Gastonia, N. C.  
Henry E. Fisher, Law Building, Charlotte, N. C.  
Peyton McSwain, Shelby, N. C.  
Coleman W. Roberts, Carolina Motor Club, Charlotte, N. C.  
Andrew Joyner, Jr., Greensboro, N. C.  
H. K. Witherspoon, State Highway Commission, Raleigh, N. C.  
B. W. Davis, State Highway Commission, Raleigh, N. C.

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## FEDERAL FUNDS FOR TEACHERS' SALARIES

JUNE 1, 1934

A statement carried in the *Winston-Salem Journal*, and possibly in other papers, assigning as a reason for the failure of this State to receive as large a sum from the Federal government in the aid of the operation of the public schools as that allotted to some other states, is so utterly erroneous and without foundation as to require correction.

It is stated substantially that, had the State Board of Education last September fixed the salary schedule 10 per cent higher than we were then preparing and able to pay out of the appropriations, the Federal government would have made up any difference thereby incurred, and that it was the board's refusal to adopt the proposal for a 10 per cent higher schedule which caused this difference in receipts from the Federal government. This statement is utterly groundless. The state superintendent of public instruction, Dr. A. T. Allen, is authority for the assertion that the amount of Federal money coming to any state could be affected in no way by any mere schedule unless backed up by actual payments in cash, or warrants or contracts for such payments. The fixing of a fictitious salary schedule by the Board of Education, therefore, would not have resulted in an increase of



so much as ten cents from the Federal funds for the teachers of the State. In all instances where Federal aid was extended it was given for the purpose of completing the normal school terms and was based, not upon an arbitrary schedule, but upon the salary which local authorities had been and were actually paying. See Federal release E-17, 11 6 (a), which reads as follows:

The monthly salaries of teachers to be paid from relief funds shall be the monthly salaries paid during the 1933-34 school term held and prior to February 15, 1934. Such salaries shall be evidenced by contracts or by county treasurers' affidavits, or both, in the discretion of the chief state school officer.

It will be remembered, too, that the opportunity for Federal aid came long after the salary adoption, and that the board was required by law to allocate the appropriated fund so as to carry on an eight months school. It can hardly be contended that the State last fall should have started paying teachers upon a monthly salary basis higher than the appropriations warranted or than anyone could then have expected to be maintained throughout the year. The law did not contemplate that this should be done.

The salary schedule for teachers at present in force in North Carolina, while far from satisfactory to me or the other members of the board, was adopted by the State Board of Education and the State School Commission after the most careful study; it was adopted as being the highest schedule possible under the appropriation made by the General Assembly. It was upon my order as budget director that funds were released in the spring of 1933 to pay back salaries for teachers for the extended term of 1932, even though these had not been matched by local provision as originally contemplated. Whenever it becomes apparent that the State can increase from any source the amount it is paying teachers, I shall be only too glad to favor raising the salary schedule. It was at my insistence that provision was put into the appropriations act allowing the governor as director of the budget to increase salaries as therein provided when state revenues permitted. But I was unwilling in September, 1933, and I am unwilling now to court favor of the loyal teachers of the State by a promise which I have no reasonable hope of performing.

## STATE TO ACQUIRE WRIGHTSVILLE BEACH CAUSEWAY

JUNE 14, 1934

At a meeting of the Advisory Budget Commission held in the office of the assistant director of the budget this morning a plan was worked out under which the State will be able to acquire the Wrightsville Beach<sup>1</sup> causeway connecting the mainland and Wrightsville and the Atlantic Beach causeway connecting Morehead City with the beach, the details to be completed by the State Highway and Public Works Commission, and under which the transfer of the properties should be completed during the first few days of July.

Assurance is given the public that the public's rights with reference to free parking space will be protected in both cases.

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## POTATO CRISIS

JUNE 15, 1934

A crisis exists in the Irish potato situation which threatens terrific loss to the potato farmers of North Carolina and Virginia. The manifest overproduction this year is of such proportions that present prices are destructive, and there is an imminent threat of even lower prices. In such circumstances, unless immediate steps are taken real disaster for potato growers is ahead. In order to help the situation, if possible, therefore,

(1) I am asking the Secretary of Agriculture to take all possible steps to relieve the situation and particularly to intercede with the Federal Relief Department or other Federal agencies and endeavor to secure their assistance in taking off the market, as quickly as possible, at least three thousand carloads of potatoes. Such could be used in large part in relief work.

(2) I am calling upon all growers to withhold from marketing at least fifteen per cent of their present crop and store the same until after the marketing season or conditions improve. The retirement of this much of the present crop seems imperative.

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<sup>1</sup>The State paid \$55,608.35 for the Wrightsville Beach causeway and \$50,000.00 for the Atlantic Beach causeway. This money was taken from the regular highway fund. Information secured from Heber O. Clark of the State Auditor's Office.

(3) All marketing agencies are requested to limit daily shipments so as to obtain better prices and to discourage shipments by growers until improvement is manifest.

(4) At the same time I am suggesting that vigorous steps be promptly taken by Federal and other farm agencies to effectuate a substantial control and curtailment of the next crop to the end that a repetition of such a catastrophe be avoided.

(5) All growers are asked to urge upon our senators and representatives in Congress the passage of Senate bill number 3326 as a means toward crop control.

(6) I am asking the Federal authorities to investigate carefully suggestions recently made of deliberate efforts to depress prices by securing an over-production and thus insuring in advance a large supply of cheap potatoes.

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## APPOINTMENT OF A COMMITTEE TO STUDY UNEMPLOYMENT INSURANCE

JUNE 21, 1934

The governor announced today the personnel of the committee<sup>1</sup> appointed, pursuant to resolution No. 38, *Public Laws of North Carolina, 1933*, to study the subject of unemployment insurance. At the same time, the committee was called to meet for organization purposes in the governor's office at 11:00 A.M., on June 27.

In this connection the governor stated that he was also authorized to announce that he had obtained assurances from the relief activity of North Carolina of sufficient financing and assistance to insure an adequate study of the problem and the gathering of such material and the preparation of such data as is necessary. The membership of the committee is as follows:

Honorable W. O. Burgin, Lexington, state senator and author of the resolution.

Honorable A. L. Fletcher, commissioner of labor, Raleigh.

Dr. H. D. Wolf of the faculty of the University of North Carolina, and student of labor problems.

Dr. William H. Glasson of Duke University, also an authority on this subject.

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<sup>1</sup>The commission was charged with bringing before the 1935 Legislature facts on the increasingly vital problem of unemployment insurance.

Mrs. W. T. Bost, commissioner of welfare, Raleigh.

Honorable T. A. Wilson, former president of the North Carolina State Federation of Labor, representing the printers' section of labor, also labor's representative on the Industrial Commission, Raleigh.

Mrs. P. R. Christopher, president of the State Textile Council and representing that group of workers, Shelby.

Mr. T. Austin Finch, manufacturer and employer, Thomasville.

Mr. Thurmond Chatham, employer, Winston-Salem.

Honorable John Sprunt Hill, banker and student of social problems, Durham.

Mrs. May Thompson Evans, experienced in unemployment problems and connected with Re-employment Bureau, High Point.

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## DELIGHTED OVER NEW HIGHWAY

JULY 18, 1934

The governor was delighted today upon being advised that the Highway Commission had approved for its present program the Currituck short-cut and Stumpy Point-Mann's Harbor road project, and as a courtesy to the governor, in whose home territory these projects are both located, and because of his long-time interest in them, the commission directed that the governor personally make this announcement to the press.

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## DR. JOSEPH GREGOIRE DE ROULHAC HAMILTON TO REPRESENT STATE AT BOONESBORO CELEBRATION

AUGUST 28, 1934

The governor today announced the appointment of Dr. Joseph Gregoire de Roulhac Hamilton of the University of North Carolina to represent the state of North Carolina at the Daniel Boone Bicentennial Commission celebration at Boonesboro on Labor Day, September 3.



## STATEMENT ON STRIKE SITUATION

SEPTEMBER 4, 1934

Incidents and complaints of the day suggest the propriety of some statement from this office with reference to the strike situation. The duty of the government is to maintain law and order, and that means to put down lawlessness and disorder by whomsoever practiced. The obligation of enforcement rests primarily upon local authorities, who have the right to and should, when occasion requires, call to their assistance such additional force of citizens and deputies as may be necessary to do so. Only when a real effort by local authorities has been made and proves unequal to the task should the State be called upon to intervene.

The right to strike is conceded; so also is the right of peaceful picketing. The right not to strike and keep on working is just as sacred and entitled to the same protection. Picketing accompanied by actual or threatened violence is not peaceful, and threats and disorders by individuals or large groups for purpose of intimidation are beyond the law.

It is earnestly hoped that extreme measures may be avoided, but I wish it definitely understood that if violence persists I shall not hesitate to use the full power of the law to put it down, by whomsoever practiced. Strikers will be protected in the exercise of their lawful rights, and mill workers also who wish to work and not to strike will receive the same protection against local or roving bands who threaten them. The public has certain rights which both parties to industrial conflict must recognize and respect.

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POWER OF STATE CHALLENGED

SEPTEMBER 5, 1934

The power of the State has been definitely challenged. Men and women who wish only to be let alone at their peaceful employment are being threatened and terrorized by roving bands from this State, and outside, and are forced into unemployment and want against their wishes. Several reliable reports of such occurrences during this afternoon and evening have come to this office. This is not peaceful picketing; it is forced suspension and

violation of the fundamental right of the citizen to work if he pleases and earn bread for his household. All efforts to induce strike leaders to stop these disorders have failed. Local authorities have proven unequal to the task of control. The duty of the State is therefore manifest, and I have accordingly directed the adjutant general of North Carolina to take charge of the situation and call into the active service of the State such units of the national guard in aid of the local police authorities as may be necessary to preserve order and protect the rights of our citizens in localities where necessary and requested. I trust that lawlessness may cease immediately and that there may be no necessity for the use of force by the military. The responsibility must rest upon those who themselves first used force. I appeal to all citizens to assist in maintaining law and order. Workers are at liberty to strike if they please and their rights will be protected. On the other hand, in mills where workers desire to continue their work and do not desire to strike they are entitled to and will receive the same protection.

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## REPLY TO MR. LAWRENCE'S TELEGRAM UNNECESSARY

SEPTEMBER 10, 1934

Asked if he would reply to Mr. Lawrence's telegram<sup>1</sup> in the morning press, the governor said that no reply was necessary, as every statement made in Mr. Lawrence's telegram, both general and particular, had been covered by previous statements from this and the adjutant general's office. If Mr. Lawrence has not heard of force-outs and the driving of honest laborers from jobs on which they were peacefully engaged, by roving bands of outsiders, then he need only read the daily press reports for adequate information. These, including today's report of the dynamiting of the road near Cherryville, are a sufficient answer to his lack of information.

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<sup>1</sup>R. R. Lawrence was president of North Carolina Federation of Labor.

## PEACEFUL PICKETING DEFINED

SEPTEMBER 15, 1934

In order that there may be no misunderstanding as to the rights of parties involved, the governor requested the press to give widespread and repeated publicity to the definition of peaceful picketing given by the Supreme Court of the United States in the case of *American Steel Foundries vs Tri-City Central Trades Council*, from which the following paragraph is quoted:

In going to and from work, men have a right to as free a passage without obstruction as the streets afford, consistent with the right of others to enjoy the same privilege. We are a social people, and the accosting of one by another in an inoffensive way and an offer by one to communicate and discuss information with a view to influencing the other's action are not regarded as aggression or a violation of that other's rights. If, however, the offer is declined, as it may rightfully be, then persistence, importunity, following and dogging become unjustifiable annoyance and obstruction which is likely soon to savor of intimidation. From all of this the person sought to be influenced has a right to be free, and his employer has a right to have him free.

It is thought that widespread notice of this definition will assist in informing the public and picketers of their rights and do much to avoid misunderstandings and disorders.

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## INTEREST IN RELIEF TO POTATO GROWERS

SEPTEMBER 15, 1934

The governor directed the attention of the press to ask that they in turn direct the attention of all interested parties to the meeting to consider the potato situation, which has been called by Congressman Lindsay C. Warren to meet in Washington, N. C., on the 20th.

The governor has been interested and active in efforts to bring some relief to the potato growers for more than a year, and is urging all growers to attend this meeting in the hope that some definite progress may be made. He expects to attend the meeting himself unless prevented by unexpected developments, and urges all growers to attend.

## APPOINTMENT OF DELEGATES TO THE NATIONAL RECREATION CONGRESS

SEPTEMBER 17, 1934

Governor Ehringhaus today appointed the following as delegates to the National Recreational Congress, to be held in Washington, D. C. October 1 to 5, 1934:

Mrs. W. T. Bost, commissioner of public welfare, Raleigh, N. C.

Major A. L. Fletcher, commissioner of labor, Raleigh, N. C.

W. H. Montgomery, director of boys' work, Wilmington, N. C.

Mrs. W. R. Absher, president, N. C. Department of the American Legion Auxiliary, North Wilkesboro, N. C.

Captain Tom C. Daniels, commander North Carolina Department of the American Legion, New Bern, N. C.

Guy B. Phillips, president, North Carolina Educational Association, Greensboro, N. C.

Miss Harriett Herring, University of North Carolina, Chapel Hill, N. C.

Ernest V. Seaman, Duke University, Durham, N. C.

John H. Small, Jr., lawyer, Charlotte, N. C.

Mrs. Reverdy J. Miller, Charlotte, N. C.

Mrs. Herbert V. Bluethenthal, Wilmington, N. C.

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## RED CROSS ROLL CALL

OCTOBER 19, 1934

It is my understanding that the American Red Cross will, on November 11th, begin its annual roll call drive for membership to continue until Thanksgiving Day, and recognizing the peculiar worthiness of this appeal by an organization which has rendered such signal and humanitarian service to the State and Nation in both war and peace, I earnestly hope that our citizens will heed this call and make adequate response to the appeal which it makes. The opportunity for participation in such an enterprise comes but once a year; let it not go unheeded.



## JAMES MARION PARROTT'S DEATH

NOVEMBER 8, 1934

The State has lost one of its most capable and conspicuously successful public servants.<sup>1</sup> In his personal and professional character he was conspicuously outstanding. He achieved not only prominence of position but a universal recognition for exceptional capacity and a high sense of public service. In intellect, character, and accomplishment he stood always in the front rank, and under his wise and inspiring leadership his department has both merited and won the gratitude of the State and the recognition of the Nation.

## EFFORTS TO SECURE LOWER FERTILIZER PRICES

DECEMBER 27, 1934

Governor Ehringhaus moved today in an effort to secure lower fertilizer prices for farmers in North Carolina. He was advised this morning from Washington that on January 9, next, in Washington the NRA will receive testimony for or against the price fixing feature of all codes with regard to alleged excessive prices. The governor requested Commissioner Graham of the Agricultural Department to compile data on this subject for presentation at the Washington hearing.

Bearing in mind the great difference between the cost of fertilizer in 1934 under the code over prices prevailing in 1933 and the almost immediate rise in these prices after the adoption of the code, the governor is seeking information to present to the Federal authorities at Washington which will meet anything of unreasonableness in the situation. The commissioner of agriculture has therefore been requested to gather this information and present it at the hearing in Washington.

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<sup>1</sup>Dr. James Marion Parrott, 1873-November 7, 1934, was educated at Wake Forest College, The University of Maryland, and Tulane University. Later he did graduate work in London and Edinburgh. In 1899 he took charge of the First Division Hospital in Havana, Cuba, where he spent eight months. After this he returned to Kinston, N. C., and resumed the practice of medicine. In 1903, he, with others, founded the Parrott Memorial Hospital, Kinston, N. C. He was elected secretary to the State Board of Health, and took office July 1, 1931, succeeding Dr. Charles O'Hagan Laughinghouse of Greenville, N. C., who died in office several months previous.

North Carolina uses approximately one-seventh of all fertilizer used in the United States and is vitally interested in fair prices for this necessary expense in farming operations.

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## NEW YEAR GREETINGS

DECEMBER 31, 1934

I am glad to avail myself of the courtesy extended by the Associated Press to relay a message of greetings and good will for the New Year to all the people of North Carolina. We have every reason to face the future with a high degree of hope, for we have come through perhaps the most difficult time of a generation to the point where we can be certain of an appreciable progress and an increased confidence. Two years ago the fiscal situation of the State presented not only a problem difficult of solution but a danger to the stability of governmental operation. Today, as a result of sound fiscal policies, the State's financial house is in order and we have been able to market its obligations at the most favorable interest rate obtained in the history of the Commonwealth. Not only this, but in the security of a sound credit we can face the present challenge for increased social service with confidence and the capacity to make something in the way of reasonable response.

Our agricultural activity is increasingly prosperous; our industrial life is attaining something more of soundness and stability; the relations between various groups of our citizenship are improved and altogether the future is brighter and the prospect more pleasing than at any time in the last two years. I congratulate the citizenship on the eve of the New Year. I commend it for its patriotism, its sacrifice and its constructive effort, and finally I bid it look forward to the tomorrow which we face with the calm confidence and determination which has characterized its progress in the past and the confident belief that these will achieve the success and progress which our hearts envision for the Commonwealth.

## A. S. BROWER ATTENDS CODE MEETING

JANUARY 8, 1935

The governor's office announced today that he had designated as his personal representative to attend the hearing on price-fixing provisions of the code<sup>1</sup> in Washington on January 9 Honorable A. S. Brower, the head of the State Department of Purchase and Contract. The governor directed Mr. Brower's attendance upon this conference and presentation of the State's claims in the protection of the State's interests. On account of the necessity of being present at the opening of the General Assembly, the governor was unable to attend personally.

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## RELIEF FOR NORTH CAROLINA FISHERMEN

FEBRUARY 6, 1935

Of great interest to fishermen in the coastal counties will be the announcement from the governor's office this morning that, in accordance with the governor's personal request and on the basis of plans prepared under his direction by Director Etheridge of the Department of Conservation and Development and presented to the North Carolina Emergency Relief Administration, the Relief Administrator has notified him that it has in progress an extensive survey of the condition of the fishermen and the fishing industry to determine the possibility of carrying out certain projects for the relief of the fishermen and the building up of the fishing industry in North Carolina. The survey has actually begun in nine coastal counties and will be extended to three others during this week. The entire situation and possibilities of relief and relief projects is being carefully studied and considered.

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<sup>1</sup>Mr. W. A. Graham, commissioner of agriculture, was asked to attend the code hearing and Governor Ehringhaus appointed Mr. Brower as his personal representative. National codes and price fixing were discussed among other things.

It was alleged that the high price of fertilizer was a great handicap to the potato growers in the State. It was also alleged that there was a conspiracy between the fertilizer manufacturers and the chain store operators. The Federal Trade Commission was investigating this allegation. *The News and Observer* (Raleigh, N. C.), January 9, 1935.

## CONFERENCE CALLED TO STUDY BILLS TO BE PRESENTED TO THE GENERAL ASSEMBLY

FEBRUARY 13, 1935

On Sunday, February 10, the governor received by air mail from the secretary of the interior a draft of ten proposed bills for enactment by the General Assembly, accompanied by letter suggesting that before their presentation to the General Assembly the bills be submitted to the attorney general of North Carolina for his opinion about certain features thereof, and also that consideration be given to a number of details in these bills which were left open for determination. On Monday the governor invited to a conference with him on these measures the attorney general of North Carolina, the state treasurer as head of the Local Government Commission, the lieutenant governor, the speaker of the House of Representatives, the chairman of the Finance and Appropriations committees, and his legislative adviser, Mr. Charles Whedbee. Before such of these as were able to attend the governor laid the proposed measure, along with the letter from the secretary of the interior, with the request that the bills and the secretary's suggestions be considered and that a conference later in the week be held after these studies, so that the details left open for consideration, as well as the legal and constitutional questions involved, be clarified, to the end that the measures might be presented to the General Assembly in completeness and in conformity with the Constitution and the practice in North Carolina. As the secretary had forwarded only three copies of each bill the speaker of the House offered to have made additional copies so that each member of the group might have an opportunity for such study.

As soon as these studies are completed and the bills put in final form in accordance with the suggestions of the secretary of the interior, they will be presented to the General Assembly.

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## EMERGENCY COMPENSATION INSURANCE FUND FOR NORTH CAROLINA

MARCH 10, 1935

North Carolina employers and employees must be protected against unfair compensation rates, insolvencies of insurance car-



riers, and unreasonable withdrawals of companies from the State. For these and similar reasons, I have advocated an emergency law<sup>1</sup> providing that employers, under state supervision, may create a fund to provide their own insurance. As long as insurance companies will write compensation coverage for all classes of employers at fair rates and protect the State's employers and workers against insolvency of companies there will be no state fund. We are entitled to be protected against segregating of assets by companies, whether by agreement of the companies or otherwise, which gives citizens of other states preferred claims and protection not afforded to people in North Carolina. In New York the insurance companies have agreed to put up and maintain a three million dollar fund for protection against the insolvency of companies. In addition they have agreed to pay in the full amount of the adjudicated death and permanent injury claims to the state insurance commissioner. A New York law, just sustained in their courts, creates a preferred claim of New York residents against the assets of any New York company denying equal protection of claims of citizens of other states who have paid the premiums to create these assets.

The control of this situation, which the emergency fund bill provides, seems to be the only way in which the necessary protection can be afforded. The fund cannot be put into operation unless conditions make it necessary. We should not be left with our hands tied as is now the case.

Through an amendment agreed to by the sponsors of the bill, upon the recommendation of the Industrial Commission and the insurance commissioner, the fund can only be put into operation when recommended by a commission consisting of fifteen representative employers who shall find that the operation of the fund is necessary for protection of industry in the State. Under an amendment the creation of the fund is entirely separated from any suggestion of political control or creation. I am standing behind the proposal of the emergency act for what seems to me to

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<sup>1</sup>The foregoing announcement was made by Governor Ehringhaus, following a conference in his office with Senator Walter H. Powell, Representative Thomas O'Berry, introducers of the pending emergency state fund bills. At the conference the insurance commissioner was also present, as were the members of the North Carolina Industrial Commission, and prominent representatives of insurance carriers.

be necessary for the protection of the employers and the employees in North Carolina.

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## ELECTION OF CARL V. REYNOLDS

MAY 9, 1935

The North Carolina State Board of Health at its meeting on the 7th of May, 1935, unanimously elected Dr. Carl V. Reynolds as secretary and state health officer for a term of four years, which selection has been approved by the governor.

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## CONTINUATION OF NRA CODES

JUNE 1, 1935

At the time of NRA's initial activity and before any codes were adopted, I made public appeal to our textile industry to follow the President's lead and adopt the first code. The appeal was heeded and the advance begun. In this moment of doubt, uncertainty, and hesitancy, precipitated by the decisions of our highest courts affecting NRA codes, I call most earnestly upon our citizenship, and particularly that part of it engaged in manufacturing and other enterprises heretofore operated under the codes, to continue in faithful observance of their provisions and regulations until a definite national policy shall have been evolved and set up.

Particularly do I urge that those provisions regulating wage and work standards, employment hours, child labor, safety and other similar requirements designed and promulgated in protection of employees be rigidly observed in North Carolina to the end that the social gain accomplished may be preserved, destructive policies may be avoided, and stabilization of our industries sustained.

## LUKE LEA'S APPLICATION FOR CLEMENCY

JULY 12, 1935

The prisoner has petitioned for a full pardon. The widespread publicity given to this application, and particularly to the suggestion that conclusive evidence of innocence has been presented, furnishes sufficient justification for some statement in connection with its declination. In considering the case, it is of course well to remember that having been regularly convicted the prisoner comes before this office with a presumption of guilt, and that the request for pardon cannot be indulged unless the executive is persuaded of his innocence by conclusive evidence which was not available to the jury. The petition is supported by hundreds of letters from prominent and respected citizens of North Carolina, Tennessee, and other states. Many of these letters do not go into the merits of the case but recommend clemency on account of sympathy. Hundreds of people also have called in person upon both the governor and the parole commissioner and urged favorable action. Everyone has been heard patiently and considerately and without thought or suggestion that the numerous appeals might take on the semblance of an effort to din us into a wearied assent. The prisoner has every right to be proud of his friends, though we cannot permit either their prominence or number to influence our action. We must be governed by the record.

A laborious and thoughtful study, however, has convinced me that not only has every point here presented been previously advanced but that it has been actually considered by the courts at some stage or in connection with some of the many motions made in the slow progress of this case towards its final conclusion. We have been unable to discover any new evidence which is substantially different from what has been heretofore brought forward; rather we have heard fresh arguments on old and oft repeated contentions—the polishing of old lamps by a new hand. Such additional presentations as the new audit and the affidavits of Coursey, Charnley, and Caldwell, while having the novelty of fresh language and presentation, are each and all of practically the same substance and tenor as have been previously presented and actually reviewed by the courts. The evidence from which, according to the decision of our Supreme Court, the jury had

the right to infer a conspiracy charge still exists; the overt acts upon which their finding was based are still in the record.

The record on this application has many angles. It is challenging in its multi-voiced and highly placed appeal for clemency; it is voluminous and complex in its development and presentation; it is grandiose in its far-flung and many-sided scope of its operation; it is tragic in its effect upon hitherto respected names and reputations; it is pathetic in its consequences to the innocent near and dear; it is touching in its record of the love and loyalty of blood and marriage and service bond; but the facts from which the jury inferred sinister trifling with trust still remain, and the legality of this inference has been approved by the highest judicial tribunals.

It may not be out of place in connection with this refusal to remark that ultimate recoupment cannot abrogate or excuse misapplication or unlawful conspiracy any more than restitution would cure embezzlement or larceny, so that the vehement insistence by petitions upon the truly debatable suggestion that no loss to the bank has actually occurred cannot be accepted as controlling. Nor can subsequent statements by individual jurors, resulting perhaps from *ex parte* presentation, coupled with personal and touching appeals, be permitted to stultify the legally returned and legally sufficient verdict. And lastly, it is proper to remark that the suggestion that the North Carolina Banking Commission sued some of the several parties for liability cannot preclude the executive or the courts on a question of guilt. For various reasons suits are frequently brought against the maker or endorser on a loan when legally both could be joined.

There are many elements in this case that command my sympathy; the prisoner's brilliant war record, his good conduct in prison and the death of his son, each and all make peculiar appeal. However, I cannot find in this presentation confirmation of the contention that innocence has been conclusively shown, and with the question of innocence or guilt remaining as determined by the judicial investigation, the suggestion of commutation of sentence is, in my opinion, prematurely presented.



## NO COMMITMENTS OF CONTINGENCY AND EMERGENCY FUNDS

JULY 25, 1935

With reference to reports appearing in some quarters the governor stated that no commitments or ear-marking of the contingency and emergency funds have been made by him.<sup>1</sup> Concerning both the Western Tubercular Hospital and the teachers' salary situation, the governor stated he had repeatedly expressed the confident hope that the problems would be solved with equity and within the limits of the law and the appropriations. No funds, however, have been committed.

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## FRANKLIN COUNTY LYNCHING

JULY 30, 1935

Two horrible crimes<sup>2</sup> have been committed in Franklin County today. The first by an apparently crazed and degenerate individual, the second by a mob of supposedly responsible citizens. The first intimation of either occurrence came to the governor's office, not through officers of the law, but through the Associated Press and this was to the effect that the wretched defendant had already been taken from the officers by the mob. Immediately the Highway Patrol and the National Guard received orders to do all possible to avert a lynching. Both acted with the utmost promptness and dispatch and both were on the scene within a remarkably brief period of time, but too late to prevent the last crime. This office also, immediately, sought to get in touch with the sheriff of Franklin County by long distance, but could not do so. The governor also called upon the chief of police

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<sup>1</sup>"The salary committee of the State School Commission yesterday voted to give every public school teacher a full 20 per cent salary raise in addition to earned increments for increased training and experience for the first seven months of the coming school year.

<sup>2</sup>"The pay for the eighth month, according to the plan, will depend on the condition of contingency and emergency fund and any other possible source of next spring." *The News and Observer* (Raleigh, N. C.), July 25, 1935.

State Treasurer Charles M. Johnson said that there was only \$500,000.00 in the contingency fund, and \$250,000.00 was pledged to Western North Carolina Tubercular Hospital which left only \$250,000.00 in the fund. He said that the amount of money necessary to pay increased salaries and increment for the eighth month was more than the remaining \$250,000.00. *The News and Observer* (Raleigh, N. C.), July 25, 1935. These statements were probably the cause of Gov. Ehringhaus's issuing the above statement.

<sup>3</sup>Govan "Sweat" Ward, who it was alleged murdered Charles G. Stokes, a farmer living 11 miles from Louisburg, was hanged by a mob to a scrub oak near the scene of the crime. Troops and law enforcement officers were dispatched to Louisburg to prevent any further disturbances or mob violence. *The News and Observer* (Raleigh, N. C.), July 31, 1935.

of Louisburg and the sheriff of Vance County and urged that they offer every possible assistance to prevent lynching or disorder. No report of the first crime or of any danger or threat of trouble was made to this office by any officer of the law of Franklin County and no request came for assistance. Had we received an intimation that the transfer of the prisoner for safe-keeping was contemplated and that there was danger of disorder, we could have rendered prompt and constructive assistance, but no such information or request was forthcoming.

I deplore, of course, the original crime, horrible in its details, but I deplore also the second offense against the laws of North Carolina and public decency and feel keenly the shame and reflection which it has cast upon our good name and our reputation for orderly administration of justice. Up to the moment of dictating this statement (4:00 P.M.), I have no advice whatsoever from the law enforcement officers of Franklin County. I have communicated with the office of Solicitor Bickett of this judicial district and learned with satisfaction that he promptly went to the scene of the trouble and is there making a personal investigation. I commend him for his zeal and vigor and I am sure that he will do all possible to bring to trial the responsible parties. In this purpose I can assure his office, and I wish the public to know, that he will have the fullest possible coöperation and assistance from this office. Such occurrences and outbursts do not represent the sentiment or the attitude of North Carolina's citizenship. I shall wait eagerly for advices as to why responsible officers of the law in Franklin County failed to make prompt request for assistance in the protection of their prisoner and the preservation of law and order.

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## PAROLES AND PARDONS

AUGUST 2, 1935

In the press of August 2, 1935, there is a statement from Frank N. Littlejohn, chief of detectives in the city of Charlotte, relative to paroles and pardons which is so completely at variance with the facts that I feel the public interest requires a reply.

With reference to the commutation of sentence of Will Thomas Carter from death to life imprisonment, Littlejohn im-

plies that Governor Ehringhaus acted upon the advice of defense attorneys.

In commuting the sentence of Will Thomas Carter, the governor acted upon petition of superior court Judge Thomas J. Shaw, who also conveyed the petition of Solicitor John G. Carpenter. Judge Shaw, of his own volition, wrote the clemency office three times urging commutation of this 16-year-old boy's death sentence.

Chief Littlejohn leaves the impression that there has been a wholesale granting of pardons and paroles by Governor Ehringhaus. The statistics of Mecklenburg County, which are typical of the State, reveal that not a single pardon has been issued to a prisoner from Mecklenburg County during this administration and only 39 prisoners from Mecklenburg County have been paroled during two and one-half years. All these paroles were recommended by high court officials and several of these were recommended by Mr. Littlejohn himself.

In comparison with the 39 paroled, approximately 1,000 prisoners have been committed from Mecklenburg County during the Ehringhaus administration. It can be seen that only an insignificant percentage of men sent to prison from Mecklenburg County have been released by executive order. Of the total number of paroles issued to Mecklenburg prisoners only two have been revoked. If Mr. Littlejohn or other peace officers in the State know of any prisoner violating the conditions of his parole, it will be promptly revoked upon receipt of confirmed evidence at this office.

Mr. Littlejohn can have no serious complaint against the clemency office. We have made every effort to cooperate with him. The records show that every recommendation for a parole made by Mr. Littlejohn has been granted except one and this case deserves special mention.

Littlejohn wrote the clemency office recommending the parole of Carl E. Bailey, serving sentence in the State's prison for his part in the holding up of the money truck of the American Trust Company of Charlotte. Littlejohn declared in this letter: "I feel that Bailey has been punished sufficiently . . . and his family needs him badly." Judge John M. Oglesby vigorously opposed the release of Bailey and the governor declined the petition.

The records of commutations from death to life imprisonment, in so far as Mecklenburg County is concerned, reveal that since

the beginning of the Ehringhaus administration only two men besides Carter have been commuted. These men were Willie White and Henry Hudson. In each case the governor acted upon the petition of Judge N. A. Sinclair and Solicitor John G. Carpenter.

In all North Carolina there are no more faithful guardians of the law than Judges Shaw and Sinclair and no more diligent prosecuting attorney than Solicitor Carpenter. The governor has been glad to act upon their recommendations and will continue to count them of great value.

Personally, I believe respect for law and order is increased by the fact that judges and solicitors of this character do not hesitate to be humane.

Mr. Littlejohn hurls the implication that the State's crime record lies at the door of the parole office.

This is not borne out by the record which shows that during the biennium of 1933-35 a total of 34,885 persons were committed to prison in North Carolina and only 1,194 paroles were issued. An average of less than fifty prisoners are paroled each month while between 1,500 and 1,700 men go back to society by reason of expiration of their sentence and with no assurance of their reformation.

Every parole granted to a prisoner from Mecklenburg County has been advertised in advance with the exception of one concerning a prisoner serving a 65-day sentence for violation of the prohibition laws, who was released because of illness.

The records of this office do not reveal a single protest of Chief Littlejohn in any of the 38 cases which were advertised in the papers of his county.

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## TEXT BOOK PURCHASE AND RENTAL COMMISSION TO CARRY OUT LEGISLATIVE INTENT

AUGUST 9, 1935

In connection with the effort of the Text Book Purchase and Rental Commission to perfect arrangements for rentals of text books in accordance with the act of the last General Assembly, the governor made the following statement:



"It is our purpose to put a plan of text book rentals into operation at the earliest possible moment. This we will accomplish in time for the opening of the next school year unless blocked by the refusal of the publishers to coöperate. In the accomplishment of this aim, we still hope to receive this coöperation from the publishers of those texts which have been adopted and to put into effect a plan which will provide for state purchase and state distribution, as contemplated in the legislative act. Adoptions now existing relate manifestly to books to be purchased by the children or parents and all contracts were made in contemplation of the right of the General Assembly to change the law. They have no reference to purchases by the State itself as contemplated by the new law. If publishers of adopted books refuse to coöperate with or conform to the new law then the State may be compelled to purchase other texts. It will not hesitate to do what is necessary to carry out the legislative will and to provide for the school patrons an adequate and economical plan of text book rental and distribution in keeping with the legislative act, and insuring for them the great savings in cost of school books, which the plan is designed to accomplish."

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## RESIGNATION OF FRED L. SEELY RUMORED

SEPTEMBER 26, 1935

Asked, upon his return from Washington this morning, concerning the rumor that Honorable Fred L. Seely had tendered his resignation as a member of the Utilities Commission, Governor Ehringhaus stated that Mr. Seely, on account of the press of business matters, had expressed a desire to resign, but that upon the earnest plea of the governor he had remained upon the commission, having agreed, over the telephone this morning, to do so. The governor expressed his great satisfaction at this decision, his high admiration for Mr. Seely, who is one of the governor's close personal friends, and particularly his gratitude for Mr. Seely's agreement to continue this public service at great personal sacrifice and inconvenience.

## DEATH OF WILLIS JAMES BROGDEN

OCTOBER 29, 1935

I am greatly distressed. The State has lost not merely a faithful public servant<sup>1</sup> but one of those rare souls who are truly great in heart and spirit as well as in mind. His labors have blessed the entire Commonwealth. Death cannot take from us the inspiration of his fine example and service.

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## APPOINTMENT OF MARSHALL T. SPEARS

NOVEMBER 7, 1935

I have given most careful and thoughtful consideration to the many recommendations and suggestions that have come to me and to the qualifications and claims of each of the worthy candidates suggested. Since approximately two-thirds of the lawyers in the entire district reside in Durham County and the great preponderance of litigation, as well as a large portion of the population of the district is also there, I feel that Durham County is entitled to this appointment, in spite of the fine qualifications of others mentioned and their claim for county recognition.

Judge Spears<sup>2</sup> is a lawyer and a citizen of outstanding character and capacity, with a background of experience, scholarship, and public confidence that well qualify him for this service and to uphold the high traditions surrounding the judgeship of the Tenth Judicial District. He is not only a practitioner but a student and teacher of the law. He enjoys the confidence of his fellow citizens, as evidenced by the overwhelming testimonials from his fellow members of the bar and others in and out of the district. He has also a record of fine war service and bears today as proof of his patriotism the scar of service to his country on the foreign fields. I believe that he is well qualified to carry on the fine record of judicial service made by his predecessors and to serve in increasing ability and usefulness, the people of the entire State.

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<sup>1</sup>Judge Brogden was appointed Associate Justice of the Supreme Court by Gov. A. W. McLean December 21, 1925.

<sup>2</sup>Judge Marshall T. Spears was appointed to fill the unexpired term of William A. Devin who was appointed to the Supreme Court to fill the unexpired term of Justice Willis J. Brogden, deceased.

## DEMOCRATIC PARTY RALLY

DECEMBER 30, 1935

Attention has been directed to the present activity fostered by the National Democratic Headquarters and being carried on in various states, with reference to a series of nation-wide Democratic dinners. Under the leadership of Mrs. Phoenix, the president of the Young Democratic organization of North Carolina, and a capable corps of assistants, effort is being made to bring about a real and a state-wide celebration of this occasion. It presents an opportunity to pay tribute to a great Democratic leader of the past, for the consideration of Democratic achievements in State and Nation in the present era, and for reconsecration to the cause of Democracy and assistance in the approaching campaign.

As the titular head of the Democratic party in North Carolina I call upon all Democrats to rally to the cause and help to make this enterprise a real success. We have every reason to be proud of our party's record in Nation and State and we have every reason to do what we can to assure the permanency of Democratic control and the promotion of Democratic aims and achievements.

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FINAL RELIEF GRANT TO STATE  
THROUGH FERA

JANUARY 7, 1936

In submitting to the Federal Emergency Relief Administration a request for the final relief grant to North Carolina the governor asked, in accord with Federal suggestion, that sufficient funds be included for the purpose of integrating the remaining relief activities with the State Board of Charities and Public Welfare and the local welfare units. Accordingly, when the budget was set up approximately \$200,000 was earmarked for that purpose, and the money transferred to the State Welfare Department the first of the year.

The funds thus made available made possible the strengthening of the state and county welfare units now being charged with the responsibility of coördinating relief not only of the un-

employables but those employables not yet absorbed through WPA. Inadequately staffed, many of the county welfare departments have found it almost impossible to meet the excessive demands of recent months in the matter of servicing clients. The funds that have been made available to the State Welfare Department, through the governor's request, make possible the establishment of active welfare units in the one hundred counties of the State, at least through June, 1936, and probably longer.

In addition to the routine duties of the county superintendent of public welfare, the enlarged county unit will be responsible for certification of relief clients to WPA, the CCC Camps, Resettlement, etc.

Likewise, the State Board, through additional field staff, will be enabled to render an enlarged and more constructive social service of real value to the local units. Through this enlargement or expansion of its welfare agencies the State has taken a definitely progressive step in preparation for meeting many social problems of the immediate future.

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## MISUNDERSTANDING IN SOCIAL SECURITY MATTER

JANUARY 23, 1936

In this morning's papers Governor John G. Winant, chairman of the National Social Security Board, is quoted as having said that "North Carolina's unemployment enabling act cannot and will not be approved by the National Security Board," and further that the Board "had not handed down its decision in the matter solely because Governor Ehringhaus had been promised an opportunity to appear personally before the Board to defend his opinion," and lastly that, "The Board had twice fixed dates for Governor Ehringhaus's appearance, but on both occasions the Chief Executive had asked that the hearing be postponed."

The governor stated, with reference to these quotations, that possibly Governor Winant had been misunderstood or perhaps inadvertently misquoted, as he had twice agreed to go to Washington to present the matter, but had been assured such was not necessary and that never, at any time, had he been advised



of any date for his appearance being fixed or asked that such be postponed. It was pointed out in this connection that both phone conversations between the governor and Chairman Winant were heard by the attorney general of North Carolina, Mr. Seawell, who also confirmed Governor Ehringhaus's statements with reference to them; that the governor had sent Mr. Seawell to Washington for conference; that both the governor and Mr. Seawell had submitted memoranda and had conferred in Raleigh with Mr. Elliott, the attorney for the Board, who left with the understanding that after he had reported to Washington Governor Ehringhaus would be advised of the decision made. No word has been received from Washington, either from Governor Winant or Mr. Elliott, since the latter's visit to Raleigh.

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## COMPACT CONTROL ACT TO BECOME EFFECTIVE

MARCH 4, 1936

This act will not become effective unless and until the Congress of the United States shall pass an act consenting to the establishment of compacts such as are authorized by this act, and thereafter this act shall become effective with respect to flue-cured tobacco upon the enactment of a similar act by the legislatures of the states of North Carolina, South Carolina, and Georgia; and shall become effective relative to burley tobacco upon the enactment of a similar act of the legislatures of the states of North Carolina, Kentucky, and Tennessee; and shall become effective with respect to fire-cured, dark air-cured tobacco upon the enactment of a similar act by the legislature of the states of Kentucky and Tennessee; provided, however, that with respect to flue-cured tobacco this act shall become effective for the 1936 crop only upon the enactment of a similar act by North Carolina and South Carolina, if and when the governor shall find as a fact and proclaim that in his opinion effective means have been adopted to regulate by agreement or otherwise the marketing and sale of such kind of tobacco in Georgia substantially in accord with the quota and marketing provisions of this act.

## RESOLUTION OF STEERING COMMITTEE

MARCH 27, 1936

In commenting upon the resolution of the steering committee<sup>1</sup> adopted yesterday, the governor said that since the voluntary sign-up contracts contained a provision that they shall be ineffective unless 80 per cent of the growers in Virginia and South Carolina also signed; and since Virginia had indicated her unwillingness at this time to push the voluntary sign-up and South Carolina was reported to have taken no steps in that direction, it was manifest to the steering committee that further efforts along this line in North Carolina at this time were futile. In reaching his decision, however, a majority of the committee expressed themselves as still strongly of the opinion that the voluntary sign-up for 1936 furnished the greatest hope and the most effective measure yet proposed to control this year's planting, and voiced their disappointment that a coöperative and vigorous effort along this line was at present impossible.

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DELEGATES TO THE ANNUAL CONVENTION OF  
NATIONAL RIVERS AND HARBORS CONGRESS

APRIL 1, 1936

Governor Ehringhaus today appointed the following as delegates to represent North Carolina at the 31st Annual Convention of the National Rivers and Harbors Congress, to be held in Washington, D. C., April 27th and 28th:

J. W. Ruark, Southport; Malcolm McQueen, Fayetteville; Hon. J. Bayard Clark, Fayetteville; Maurice Fleishman, Fayetteville; Luther Hamilton, Morehead City; C. S. Wallace, Morehead City; Louis T. Moore, Wilmington; W. H. Sprunt, Wilmington; W. O. Huske, Fayetteville; H. E. Boyd, Wilmington.

<sup>1</sup>When the AAA was declared unconstitutional Governor Ehringhaus urged voluntary sign-ups among the tobacco farmers whereby they agreed to cut the number of acres in order to maintain better prices. This method, however, seemed to be ineffectual due to adjoining states' not fully coöperating. Therefore, the committee decided to push the soil conservation program in order to procure some Federal benefits to the tobacco farmers. *The News and Observer* (Raleigh, N. C.), March 27, 1936.

## ARMY DAY

RALEIGH

APRIL 6, 1936

In connection with the nation-wide celebration on Monday, April 6th, 1936, as Army Day, the governor<sup>1</sup> expressed his interest in this activity and the patriotic motive behind it. The gradual breaking away in the custom of designation of national days by proclamation in this State, because of the multiplicity of requests for such designations, was pointed to as the reason of absence of a proclamation in this case. However, the Executive expressed his personal interest and approval of the enterprise dedicated to the perpetuation of the valor and the traditions of the United States Army.

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DELEGATES TO AMERICAN LIBRARY  
ASSOCIATION

APRIL 9, 1936

Governor Ehringhaus has today designated the following as delegates to represent North Carolina at the conference of the American Library Association, to be held in Richmond, Virginia, May 11th to 16th, 1936:

Robert B. Downs, Chapel Hill; Miss Cornelia Shaw, Davidson College; Harvie Branscomb, Durham; Mrs. Ethel T. Crittenden, Wake Forest; Miss Marjorie Beal, Raleigh; Mrs. F. S. Worthy, Washington, N. C.; W. D. Pruden, Edenton; Kemp D. Battle, Rocky Mount; William Medford, Waynesville; James Lee Love, Burlington; J. Ray Shute, Monroe.

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<sup>1</sup>Governor Ehringhaus was the guest of honor at the celebration at Fort Bragg.

## REPLY TO JOHN H. KERR

MAY 4, 1936

Absence from my office has prevented an earlier statement regarding Congressman Kerr's assault upon me in Thursday's papers.<sup>1</sup> In my radio speech which preceded this last outburst of his, I specifically stated that in "pointing out the facts and the record" in this situation I was not criticising, and followed this with words of commendation and praise for the North Carolina delegation. In all this debate I have consistently endeavored to avoid personal controversy, but there is a limit even to a governor's patience, and this is not the first of Judge Kerr's personal attacks. Let me, therefore, make factual reply.

(1) The judge apparently resents my pointing out the deficiency of the bill enacted by Congress which bears his name, and its failure to protect our farmers against across-the-line shipments. He cannot deny that without such protection any farmer can grow and market what he pleases without paying one cent of tax or incurring any penalty. He cannot deny that this danger was pointed out by the Department of Agriculture representatives, and congressional protection against it was requested by the Department and the Virginia bill as necessary to "make possible the enforcement and accomplishment of the purposes" of the state act. Notwithstanding Judge Kerr's present opinion, the fact is that without this protection, which only Congress can give, enforcement of compact laws is not possible.

(2) These dangers are not "imaginary" and Judge Kerr knows they are not. The best proof of this assertion is that Judge Kerr himself appeared before the agricultural committee on March 23rd and argued both their necessity and constitutionality. At that time Secretary Wallace, through his letter to Chairman Jones, was suggesting these amendments, and his representatives, Messrs. Thigpen and Bagwell, were present pleading for them. At that time even Judge Kerr was saying, (Congressional Record, page 16) "If we did not do that Maryland or Ohio or some other state, if they could do so, could possibly produce much of the tobacco curtailed in the compact states

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<sup>1</sup>Congressman Kerr and Governor Ehringhaus differed as to the effectiveness and the results of the Kerr-Smith tobacco control act. Governor Ehringhaus maintained the act would be ineffective in North Carolina without the legislative coöperation of Virginia, South Carolina, and Georgia, and that since these states had not enacted the necessary coöperative legislation, it was useless and folly to call the North Carolina General Assembly into a special session. This difference of opinions was fully discussed in the newspapers of the State during the month of April, 1938, to which reference is made for further information.



of Virginia, North Carolina, and other states, and destroy the purposes of the compact." After he so ably defended both the necessity and constitutionality of these sections, he cannot blame me for pointing out that without them his bill, instead of being a charter of tobacco salvation, is but a "plucked parrot" — a toothless, grinning, and impotent skeleton, which gives a mere permission to compact but withholds the chance to make these compacts effective.

(3) Judge Kerr says that at the conference which I attended in Washington I should have pointed out defects in the bill and resolution, and that the bill and resolution were acted upon. The fact is that this conference was on February 26th, and the congressional resolution with these amendments was not even presented by Secretary Wallace until March 19th — nearly three weeks later. The fact is also (a) at the conference I did earnestly urge the necessity for some such protection; (b) because of the department's then unreadiness to declare its views on this question, representatives of Tennessee and Kentucky left for their homes; and (c) the model bill then presented contained a specific and definite request for such congressional legislation. If Judge Kerr does not know this, I am not responsible for his lack of information, as a copy of the bill was put in the record of this hearing, and on page five Judge Kerr admitted that he had a typewritten copy of the act in his office.

(4) Judge Kerr is quite right in saying that I know that the bill binds no one unless Virginia and South Carolina go in, and (quoting the Judge) "the reduction of tobacco planting in Georgia is in accord with the plan." I also know, though apparently he doesn't, that South Carolina's representatives at the conference in February indicated that they would not go in this year unless Georgia too went in on a legislative basis; and that I endeavored to secure in both Virginia and South Carolina the abandonment of any requirement as to Georgia for this year; that the Virginia legislature refused to do so; that there has never been any reasonable chance of South Carolina's doing so; and that South Carolina's Senate has refused and has added other amendments which specifically make the act inapplicable to this year's crop. Apparently also Judge Kerr doesn't know that the Georgia sign-up has "flopped" and that even had it gone through it provided not a "reduction," as Judge Kerr suggests, but an increase of 20 per cent to Georgia while North Carolina was reducing.

(5) The governor has no trouble about "agreeing with himself," but he does find it quite impossible to follow Judge Kerr in his abandonment of the position he so stoutly maintained before the committee and the amendments he then urged as both constitutional and necessary.

Judge Kerr also says rightly that every one in North Carolina knows why the governor has not called a special session. That is because the governor has frankly and repeatedly stated those reasons. And speaking of such explanations I may be pardoned for suggesting that this same citizenship, and particularly that part of it living in his own district would be delighted to have him explain a few things, for example:

(1) Why was it that while the warehouses were closed in 1933 he came to my office in Raleigh, in company with a representative of the tobacco buyers, to urge me to accept the buyers' proposition for an agreement guaranteeing a price lower than parity?

(2) Did he not, at South Boston, Virginia, on September 26th, last, give approval to the increased crop of last year against which we prayed and pleaded, and did he not at the same time predict a ten to twenty million dollar greater cash return to the farmers than the 1934 gross, and why?

(3) Why did the governor's seconding plea for more conservation money for tobacco farmers anger him so that he sought earnestly to secure a rebuke for the governor for daring so to speak for the growers?

(4) Did not a representative of the Department of Agriculture (Mr. Thigpen), on March 23rd, before the House Committee, warn of the possible evasion of the state law without section 3 and give as one of his reasons (page 51) that without it "no tobacco company could go to farmers and say 'I will contract with you to grow tobacco for me.' Then this company could take the tobacco and move it and this would evade the State law"?

(5) Since the date of that warning, what effect, if any, has the judge made to secure the adoption of these amendments which earlier on that same day he too had championed?

(6) Why, after championing both their necessity and constitutionality, did he quit the fight for these amendments protecting our growers against over-the-line shipments of surplus and extra-quota production by chisellers and quota jumpers?

(7) Will he now join the other members of the delegation in passing a supplemental bill to put these amendments through so as to make possible, as the Virginia law requires, the enforcement of compacts?

There are other questions which might also be asked, but if the judge answers these to the satisfaction of the growers in his district, it will take so much of his time that he will have none left to engage in controversy with me.

In this situation I have been willing to coöperate and willing to concede always room for honest differences of opinion, but the judge has apparently determined to stick his neck out and continue his personal attacks. Very well, I am ready. If his own abandonment of the fight for congressional assistance to any state compact laws has prevented his strutting in a self-generated sunlight as well as helped make it impossible to control this year's crop, he cannot blame me. Neither will I permit him to make me his alibi.

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## REPLY TO JOHN H. KERR ON THE TOBACCO CONTROL BILL

MAY 8, 1936

Congressman Kerr, who started this controversy, says, in replying to my statement, that he does not care to pursue it further. That's all right with me and I also shall close it with a brief reply to his last utterance.

In answering my first question he says that the time of his visit with Mr. Miller was "shortly after the markets reopened" instead of while they were shut, as I suggested. The time is immaterial. Though he first says that the visit was "after it was understood that a parity price of seventeen cents had been agreed upon" he later claims credit for inaugurating a conference shortly after this visit, at which conference "the parity price was finally agreed upon," and says that the increased prices which the farmer later realized were due entirely to this conference. Thus Judge Kerr modestly but unmistakably takes all the credit for the increased prices. Now just why Judge Kerr and Mr. Miller should be coming to my office before an agreement was made to find out why "it was not being complied with" is

a bit difficult to understand. But that too is immaterial. And just why Mr. Miller, a representative of buyers, should come to Raleigh to ask me why his and other companies were not observing an agreement to pay parity is even more difficult. But the newsiest bit of information in all this is that Mr. James I. Miller, who for years has been buying tobacco for the great companies from the farmers as cheaply as possible, should suddenly become so interested in seeing that the farmers got a better price that he traveled with Judge Kerr all the way to the governor's office in Raleigh to find out "how come" his own company and others were still paying such low prices.

Just this much of history. When the tobacco marketing holiday of 1933 was declared by the governor, he and a committee of growers went to Washington and proposed to the Department of Agriculture that if the Department would help them to obtain a fair price for the 1933 crop the farmers would sign contracts to reduce their next crop to such proportions as the Department thought proper and would take for their 1933 crop an average price which the Department said was fair. We also agreed to leave to the Department the method of accomplishing this fair price and we refused to tie ourselves to any method or suggested agreement, insisting that when the farmers complied with reduction sign-up contracts the Department should be left free to choose its own methods and if one method failed we would expect them to try another. The contracts were signed in record time. The Department started negotiations with the domestic buyers for an agreement to pay an agreed average. Though these negotiations were with the domestics only, it was the view of the Department that if the domestics agreed to a certain price it would automatically force up the price paid by foreign buyers. With the consent and upon the advice of the Department, the markets were reopened. Negotiations between the companies and the Department hung fire for a short time. Some urged us to give our approval to an agreement for a seventeen cents average for domestic buyings. This was two cents below what we had been told was parity. We refused to agree to this, sticking by our position that, having fulfilled our part of the agreement when we completed the sign-up, it was up to the Department to choose its own methods and we would not, by giving approval, put ourselves in a position where if it failed we could be told, "We gave you what you asked for, so you cannot complain."



Judge Kerr is right in saying that I did not know the details of the Department's negotiations with the buyers and so stated. I refused and my associates refused to pick or give approval to any particular plan. Judge Kerr made the appointment by long distance telephone. Mr. Miller came with him. Mr. Miller, in the Judge's presence, urged that I give my approval to the proposal then under consideration. I refused. Then Judge Kerr asked me what he could or should do. I told him of our committee's understanding and agreement and that I would stick by my position, concurred in by my fellows. I did not charge that Judge Kerr urged me to accept, though he was present when Mr. Miller was so urging, and I heard no dissent from the Judge. I have not raised any question of Mr. Miller's veracity, so there is no need for Judge Kerr to defend it. There were others, however, equally reliable who overheard this conversation and know it was as I record it. However, it will be interesting news to many of the growers to learn of Mr. Miller's great interest in higher prices for farmers.

I am pleased to read Judge Kerr's statement that he did not, at South Boston, Virginia, approve the big crop. News reports of his speech would convey that impression. Also, I am pleased to note he did not rebuke me for advocating a larger share of soil conservation money for the farmers. If he will read press reports (emanating from Washington) of the Congressional caucus before replying to my telegram to the President transmitted to the delegation, he will understand why I, like many others, was impressed with the idea that he sought a rebuke for me, if he did not actually voice one. And as to his letter urging that I appoint representatives from the North Carolina House and Senate to confer, the judge knows that this request was promptly granted and the appointments made.

After the smoke of controversy these facts remain unquestioned:

(1) Congress was urged to give not only permission for state compacts, but additional legislation to make their enforcement possible.

(2) At the conference of February 26th, attended by the governor, the necessity for such was urged by me and others and a clause requesting this legislation appears in the model bill and in the Virginia act.

(3) The congressional resolution approved by the Department of Agriculture was not proposed by the Department until March 19th, nearly three weeks after the conference.

(4) As proposed and prepared, it contained clauses designed to protect the compact states against across-the-line shipments.

(5) The necessity and constitutionality of these sections was urged by the Department and by Judge Kerr.

(6) These clauses, at first championed by Judge Kerr, were abandoned and the act passed does not contain them.

(7) Judge Kerr does not deny that without these clauses any grower can grow and market, tax free, any quantity of tobacco he pleases, by simply shipping across the line.

(8) Judge Kerr cannot deny that without this protection there is no control, either of production or marketing by the non-coöperative or speculative grower.

(9) Judge Kerr does not deny that the Georgia sign-up has "fopped"; that it provided for an increase, not a decrease; that South Carolina has declined to come into compact for this year's crop and that Virginia also is therefore out.

I have not opposed the compact idea, but I do oppose this or any other compact which does not control and leaves the North Carolina grower a prey to the growers in other states. I have no sympathy for this compact without these clauses, which alone can make it effective. I have done, and will continue to do, what I can to prevent such discrimination being enacted without this protection which we have asked of Congress. With such protection I do and will favor a compact. Without it I shall oppose this legislation, since I conceive that it will be destructive of the interests of North Carolina tobacco growers.

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## URGES SAFE DRIVING

MAY 27, 1936

It is my understanding that the National Safety Council, in behalf of their splendid work in the promotion of safety on our highways, is making a special effort to reduce our accident total during the month of June. Experience has shown that usually there is a great rise in accident totals during the month, and so it is undoubtedly advisable that we place special emphasis upon the necessity for careful driving at this time.

I am sending a copy of this request to our highway patrol and I am asking that the press and the radio and all other agencies of the State and citizenship interested in this activity make

every effort to promote safe driving and reduce our accident total during the summer months ahead. Our children will soon be out of school, and week-end trips, picnics and other summer activities are beginning.

It is imperative that we exert a greater diligence, and the co-operation of all agencies and citizens is necessary and requested.

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## NOT A CANDIDATE FOR POLITICAL OFFICE

JUNE 12, 1936

So many friends, particularly since the convention crowds began to gather, have urged upon me their desire to have me accept the position of Democratic national committeeman that I feel it necessary to make some public statement. While I appreciate the honor and distinction involved, it will be recalled that I have repeatedly stated that I have no desire for any other political office. That still is true and I do not wish to be considered as in any sense a candidate for this place or that my name be presented to the delegation.

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## APPOINTMENT OF FRANK M. ARMSTRONG

JULY 21, 1936

The governor's office announced that Governor Ehringhaus, who is away on his vacation, has appointed Honorable Frank M. Armstrong of Montgomery County judge of the Superior Court, Fifteenth Judicial District, to succeed Judge John M. Oglesby.

It was stated that the governor, in addition to being thoroughly satisfied Judge Armstrong is imminently qualified, was influenced in making the appointment by the overwhelming endorsement by members of the bar and by the fact that Montgomery County has not had a judge or solicitor in a long number of years.

## DELEGATES TO THE ANNUAL CONFERENCE OF THE NATIONAL TAX ASSOCIATION

SEPTEMBER 4, 1936

Governor Ehringhaus has today designated Honorable A. J. Maxwell, commissioner of revenue, Raleigh, and Honorable Lee Gravely, Rocky Mount, as delegates to represent North Carolina at the 29th annual conference of the National Tax Association, to be held in Indianapolis, September 28th to October 2nd, 1936.

## ADOPTION OF CONSTITUTIONAL AMENDMENTS

OCTOBER 28, 1936

Absent from the State in the service of our national campaign, I nevertheless wish to make a final appeal in behalf of the five Constitutional amendments to be voted on next Tuesday.

I renew and reiterate my strong belief that No. 1, the judicial amendment, deserves the support of all voters. At this time, however, I wish to lay especial emphasis on the so-called tax reform amendments Nos. 2, 3, 4, and 5, permitting an increase in our maximum income tax rate, permitting tax exemption on homes, permitting classification, and requiring a reduction in all public debt except where an increase is submitted to and approved by the voters.

I rejoice that patriotic Republicans all over North Carolina are supporting these amendments on the high ground that they are essential to the State's welfare. I appeal to all Democrats, however, to support them both because they are essential to the State's welfare and also because they represent the best thought and judgment of our Democratic leadership, both in executive and legislative departments, regarding an improved taxation policy for our commonwealth.

It was out of my own experience of years of thought, study and anxiety about these problems that I declared weeks ago: "I sincerely hope that each and all these amendments will be adopted and I sincerely believe that their adoption will lay the groundwork for a real advance in the direction of equitable taxation and social advance."

It was a result of his own lifetime of thought and study that Honorable A. J. Maxwell is throwing every ounce of his energy and ability behind these amendments.



Lieutenant Governor A. H. Graham, who has confronted the same problems, tell us: "It seems to me that each of these proposed amendments has independent justification and each in itself is to be desired, but I feel that the greatest good will be derived by the adoption of all of them. It will require the combined adoption of all four dealing with taxation to enable our state government to adopt a policy of taxation which is equitable and fair to all of our people."

Clyde R. Hoey, Democratic nominee for governor, who likewise fully senses the magnitude of present difficulties, says: "I am persuaded that these amendments will enable the legislature to deal with the vexed problems of taxation in such a way as to work out a more equitable and just system of taxation."

Dr. Ralph W. McDonald, member of the legislature and gubernatorial candidate of many thousand Democrats, says: "My recommendation is that all five of the amendments be ratified."

Here then we have the views of the Democratic governor of North Carolina, the Democratic lieutenant governor, and the other two gentlemen whom Democrats supported for governor in our recent primaries—all of them unanimously advising and warning our party that these amendments are necessary to sound fiscal policies in future.

I repeat my hope and recommendation for their approval by our voters.

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## NORTH CAROLINA'S DREAMS

NOVEMBER 19, 1936

I desire at this time to speak most informally and will prepare, therefore, no set press release. At my first appearance before the Society,<sup>1</sup> I discussed the State's difficulties under the depression. On my second visit I outlined briefly the drama of her rehabilitation. This time I will speak of her dreams for the future, with particular reference, first, to the preservation of her fiscal stability and the release, through reduction of state and local debts, of additional tax resources for the development of social enterprises. Secondly, of her dreams for the develop-

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<sup>1</sup>This was a press release from the speech delivered to the North Carolina Society at the Shoreham Hotel, Washington, D. C. The governor spoke extemporaneously; therefore, a copy of the speech was not available.

ment of educational opportunities for her boys and girls, with the future emphasis upon preparation for life and citizenship. Thirdly, of her dream for a well-balanced plan of social service, including, of course, old age pension, unemployment protection, broader educational opportunity, and an enlarged development of every social activity of the government. Upon this rock we will build the State and the forces of destruction and despair shall not prevail against it.

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## NEW PAROLE SYSTEM

NOVEMBER 24, 1936

I am greatly pleased at the practical completion of this survey which I originally directed. Its primary purpose was to eliminate the tragedy of forgotten men and insure an orderly and certain consideration of every felony case upon the basis of an intelligent and thorough case history and prisoner background.

An intensive study<sup>1</sup> of the entire roster of the Penal Division made by the parole office since the inauguration of the new system disclosed that there were many men in prison who had lost contact with the outside world, and further disclosed that there were in excess of a thousand men in whose behalf no living person had ever spoken to the governor or the parole office. Governor Ehringhaus and the parole office felt that these men were entitled to the same careful study and consideration as their fellow prisoners who possessed friends on the outside to bring their cases to the attention of the parole office, and so one of the main objectives of the new parole system was to inaugurate a plan whereby the cases of these forgotten men might be placed on a parity with other prisoners. Within the last few months the parole office has, on its own motion, interviewed and set up files containing very complete data on 1,190 men. Our study reveals that there are still approximately between 100 and 150 more men of this character to be interviewed and indexed in the parole office. When this work shall have been completed, for the first time in North Carolina the parole office will have in its files a continuing study of every felon in captivity. This work has been of an emergency character and has taxed the facilities of the parole office to a maximum but will never again be necessary, as under the new parole system all felons committed since October, 1935, have been interviewed by this office and files set up on their cases. Since October 1, 1935, approximately 1,500 felons have been committed, interviewed, and indexed in the parole office. This program guarantees that in the future the case of

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<sup>1</sup>This statement was prepared by Edwin Gill, commissioner of paroles, and released by Governor Ehringhaus.

each felon will receive the same careful study which insures that there will be in the future no forgotten men.

All of this intensive research has been carried on contemporaneously with the hearings of petitions and the routine work of this office and would not have been possible without the complete coöperation of court officials, prison officials, welfare officers, local law enforcement officials, and in many instances the close coöperation and understanding and even the indulgence of the public. The information accumulated to date and in the future we believe will constitute an invaluable source of material for the study of the cause and cure of crime, and every effort is being made to preserve statistical information to aid in scientific approach to the problem of crime.

In all that we have done an effort has been made to coöperate with Federal authorities and the information we are securing is designed to conform to the requirements of the survey now being conducted by the attorney general of the United States.

As our study progresses we will learn more about the character and the tendencies of these men and will be able intelligently to determine what percentage of them are parole material. But regardless of the ultimate action of the parole office on the question of parole we believe that the inauguration of this system has already contributed much to the improvement of prison morale and appeals to the sense of fairness of all those concerned and interested in prison problems.

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## SURVEY OF ALL FELONS IN PRISON INSTITUTIONS

DECEMBER 24, 1936

The governor's office announced that the survey, instituted at his request by Commissioner Gill and his assistants, of all felons in the prison system has been completed and that files have been set up in each individual case, thus insuring regular consideration of all felony cases against the tragedy of forgotten men. The governor announced that he considered this one of the most important steps in the development of the parole activity which has been of great concern to him during his term of office.

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## POTATO ACREAGE

I have heretofore expressed my belief that voluntary coöperation in production was essential to our agricultural recovery.

We are now confronted at our very door with intelligent information; if used now it may profit us in June.

The Agricultural Extension Services of the early-potato states have warned us against any increase in production of white potatoes, and their reports indicate that while the Southern states as a whole will show a slight decrease, North Carolina may show from 5 to 10 per cent increase in acreage. Those states south of us have completed their planting and no doubt the larger part of the seed are either in the ground or on hand for the eastern part of this State. I do hope, that in fairness to your neighbors and to our neighboring states, North Carolina and Virginia will at least hold their acreage to that of last year. Favorable weather will give an increase in production over last year. I do not refer to the "potato patches" of the live-at-home gardens and the local market gardens, but to the large commercial areas of the State where we ship 7,500 to 9,000 cars of potatoes during six weeks of early summer. Mr. A. E. Mercker, secretary to the Early States Potato Committee, reports that North Carolina received little if any more than cost of production in 1932, and nothing better than that may be expected if there is any increase in acreage, because the supply of old potatoes is the same as last year at this time. I understand that detailed information has been given to the growers in these Southern states by the Early States Potato Committee and the Potato Association of America; if you are not fully informed call upon either your county agent and State College, or the Division of Markets in the State Department of Agriculture.





## LETTERS AND TELEGRAMS



April 6, 1933

My dear Governor Ehringhaus:

We have just passed through a crisis in the affairs of the Nation which is second in importance only to the winning of the war in Europe. The public has become almost emotional over the first results of the promised New Deal. Confidence is returning—enthusiasm is high. *This New-Born Confidence must not be allowed to degenerate.*

Emotional enthusiasm does not last long. We soon sober up. Good nature in itself does not produce anything. Something must be maintained. Business must be gotten going some way. The President and Congress at Washington are working strenuously to put his foundation under the enthusiasm, but delays and setbacks will be unavoidable. The business of the country will not start up over night. Almost universally everybody always expects things to happen faster than they can happen. Enthusiasm will wane and discouragement will again envelop many of us unless something is done to prevent this happening.

During the Great War the need for sustaining enthusiasm over trying periods was fully realized. Propaganda supported us at every turn. The art of ballyhoo was developed and used to the nth degree. The American public likes it and has a real genius for it. Where would we have been without it?

The next three months will be crucial months in American history. The American public is aroused and susceptible to suggestion. Now is the time to give it to them through organized national propaganda and ballyhoo designed to combat a relapse into discouragement.

As a suggestion, would it not be helpful if you, as governor, were to set a day labeled suitably with some designation such as "Get Going" Day on which popular demonstrations would be held under the auspices of various civic groups in the cities and towns of the Commonwealth, calculated to shake off gloom and sustain confidence?

Faithfully,

Charles Edison.

The Honorable J. C. B. Ehringhaus  
Governor of North Carolina  
Raleigh, North Carolina



April 14, 1933

HONORABLE FRANKLIN D. ROOSEVELT  
*President of the United States,*  
*Washington, D. C.*

My dear Mr. President:

This will acknowledge your telegram of April 12th, which I found waiting upon my return to the office.

I am interested in your suggestion that we consider the minimum wage law just passed by the legislature of New York, declaring it against public policy for any employer to pay women or minors a wage which is "both less than the fair and reasonable value of services rendered and less than sufficient to meet the ultimate cost of living necessary for health."

I greatly sympathize with the distress of the workers of this country, and particularly the women and children who are engaged in industry, and I am greatly concerned at the desire to obtain for them a fair and reasonable wage. I am impressed with the idea that this provision, as quoted, furnishes no such definite and certain standard as under our Constitution would be necessary for its enforcement in the courts. Each tribunal in each particular case could set up its own standard, which would depend upon the varying notions of each jury as to what was fair and reasonable and less than sufficient to meet the ultimate cost of living necessary for health. Greatly respecting your judgment and opinion, it occurs to me that the law is altogether unworkable.

I may observe also in passing that the press reports your telegram as having been directed to the governors of thirteen states only. You will readily understand that there are other states besides those mentioned which are in active competition with the industrial states mentioned. A statute, to be workable and fair, should, in my opinion, be nation-wide in its effect.

With much respect and kind personal regards, I am

Sincerely yours,

J. C. B. Ehringhaus.

July 15, 1933.

Honorable H. L. Koontz,  
*Solicitor, 12th Judicial District,*  
*Greensboro, N. C.*

My dear Mr. Koontz:

With reference to your communication addressed to me some time ago and the conference held with you also, concerning your suggestion that as governor I direct an inquiry or investigation into the banking situation in accordance with section 221 (y), *Consolidated Statutes of North Carolina*, and particularly with reference to the United Bank & Trust Company, the North Carolina Bank & Trust Company, and the Page Trust Company.

I have had this matter under advisement with our State Banking Department, and we have delayed a definite response to your inquiry until the work of auditing each of these institutions, which was then in progress, had been completed and until the Banking Department itself had made thorough examination of these audits. These audits have now been completed in each instance and are filed in detail in the office of the clerk of the Superior Court in the counties of the home office of the institutions referred to, and are now available to the public, as well as to the prosecuting officers or any other interested parties, for inspection, in the offices of each of the banks concerned.

We will also be glad to arrange for a conference at any convenient date for you or any other prosecuting officer with the auditors under whose direction these audits were conducted, and who will be ready to give you detailed information with reference to any and every transaction which has been covered; and if the audit does not furnish all the information desired, to secure such additional information as is necessary for your consideration. This can be done without expense to your county. The officials of the Banking Department also stand ready to render you all possible assistance in an investigation of these audits in obtaining any information with reference to any transaction which it is desired to investigate.

In view of the completion of this work and the opportunity which is further afforded for the fullest examination, it is thought that you will agree that the expense of an additional investigation need not be incurred.

I am informed by the commissioner of banks that a careful consideration by him of each of these audits does not disclose any embezzlement, misappropriation or misapplication of funds in either of these institutions, and this information is conveyed to him also by the independent auditors who directed and prepared these audits. The same opportunity, of course, will be afforded to the solicitor or prosecuting officer of any other district in which one of these institutions or branch was located.

Like you, I am greatly concerned at the collapse of many banking institutions throughout this State and others, resulting finally in a national crisis which closed every bank in the United States. Like you, I am anxious to see that the rights of the depositors and investors whose money has been lost in such crashes are fully safeguarded, and that any wrong which has been committed by officers or employees of any institution be brought to light and proper prosecution made; and, like you, I am anxious to give an opportunity for the fullest information and examination to all interested parties, and particularly to the prosecuting officers of the State, upon whom rests the duty of prosecuting cases of law violation. Such is necessary to the end that public confidence may be restored. I am sure you realize as well that our North Carolina officials are under the compulsion of withholding information on banking matters from the public until such time as the law allows it to be made public, and further of avoiding the expense of an investigation which would disclose no serious violations of the law.

The time has now arrived when the facts and all the information involved in these audits may be made available to the public, and the work of auditing has been so thorough and complete that certainly when supplemented by the information which conference with the auditors would disclose, it would seem a futile thing to cover the same ground again in another investigation.

Will you be good enough to advise me if you desire to confer further, either with me or Mr. Hood, about these matters. If you desire, we will be glad to arrange for the auditors to go to your city, without expense to you or to the county, to give you such information as you seek. The same opportunity will of course be afforded any other interested prosecuting officer, and the fullest facilities of the department are at the service of each of you.

In as much as your letter to me has been given publicity, and in order that all parties interested throughout the State may be informed of the opportunity here afforded, I am giving a copy of this letter to the press.

With assurances of my high regard and best wishes,

J. C. B. Ehringhaus.

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The White House

August 1, 1933

My dear Governor:

I have been greatly pleased to receive your letter of July twenty-seventh, enclosing copy of your proclamation calling upon the people of your State for prompt and effective coöperation in the recovery program.

I deeply appreciate the proclamation itself and your kindness in sending me this copy of it.

With many thanks and best wishes to you,

Very sincerely yours,

Franklin D. Roosevelt.

His Excellency,

John C. B. Ehringhaus,

Governor of North Carolina,

Raleigh, North Carolina.

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August 3rd, 1933

Raleigh, N. C.

Honorable Stanley Winborne,  
*Commissioner of Public Utilities,*  
*Raleigh, North Carolina.*

Dear Stanley:

In line with several conversations had with you on this subject, I am writing to urge that you take steps to get under way as soon as possible a real inquiry into the values and rates of



public utilities, particularly power and telephone companies, so that accurate information may be available and equitable adjustments made as soon as possible.

During the recently adjourned General Assembly, you will recall that there was a great deal of controversy as to whether the power companies particularly were paying their fair share of taxes, it being contended earnestly on one hand that such was not the case and on the part of the power companies that they were already overtaxed. The same contention, in a way, was made with reference to the telephone companies. You will recall that by concerted action we secured passage through the legislature of a bill authorizing an appropriation of \$10,000 to your department for the conduct of an inquiry and also at my request a substantial increase in the contingency fund so that we might be in a position to have this work done adequately and intelligently.

I am impressed with the idea that an accurate and adequate survey of values is absolutely essential, both from the standpoint of fixing fair rates and also determining fair valuations of the properties in consideration of equitable tax levies. Certainly it is not desired that these properties and activities be unfairly taxed, but it is important and extremely desirable that they be fairly taxed. If present levies or rates are oppressive, we should know it with reasonable certainty, and if the contrary is true, we should have a definite and accurate basis for intelligent and equitable action.

I am writing this letter simply to give expression again to what I have said to you personally on several occasions and what I know meets with your hearty approval, and also that you may know that to the extent as, upon careful consideration, we may determine is reasonably necessary, funds will be provided to carry on this work, so that it may be completed and available for use.

It is extremely necessary that these debated questions should be cleared up before the next General Assembly and that we shall have for its consideration unimpeachable information.

With assurance of my high regard, I am,

Yours very truly,

J. C. B. Ehringhaus.

## [TELEGRAM]

Elizabeth City, N. C.  
August 31, 1933

Hon. Henry A. Wallace,  
*Secretary of Agriculture,*  
*Washington, D. C.*

Tobacco farmers of North Carolina in meeting assembled vehemently protest present destructive prices and beg the assistance of your department in securing a fair return. Unless immediate action is taken in their behalf it will be too late. I am this day declaring a tobacco marketing holiday in North Carolina until further proclamation to afford opportunity for consideration and action and calling upon Governor Blackwood of South Carolina to do likewise.

J. C. B. Ehringhaus,  
*Governor of North Carolina.*

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[TELEGRAM]

Elizabeth City, N. C.  
August 31, 1933

J. Y. Joyner  
*Raleigh, N. C.*

Resolution passed by farmers meeting this morning and signed by you has just been read to me over phone. I will be glad to accompany your committee to Washington and assist in their presentation and urge for immediate action there looking toward relief. I have previously urged this and am wiring Secretary Wallace again today. I have no power under Constitution to declare martial law but am issuing a proclamation declaring a tobacco marketing holiday and calling upon farmers, warehousemen and all good citizens for coöperation. I am also wiring action to governor of South Carolina and requesting similar action in that state. You have my entire sympathy and I will be glad to coöperate within the law with your efforts for fair prices.

J. C. B. Ehringhaus.

[TELEGRAM]

Elizabeth City, N. C.  
August 31, 1933

Honorable Ibra C. Blackwood,  
*Governor of South Carolina,*  
*Columbia, S. C.*

Critical tobacco situation your state and mine requires immediate action. Farmers meeting today vehemently protest present prices which are destructive. We will present resolution to Washington urging immediate action. I have declared tobacco marketing holiday until further proclamation. Request you do likewise and that you advise if we may count upon your coöperation. Delay will be disastrous to our farmers.

J. C. B. Ehringhaus,  
*Governor of North Carolina.*

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[TELEGRAM]

Columbia, S. C.  
September 10, 1933

Governor J. C. B. Ehringhaus,  
*Raleigh, North Carolina.*

The meeting of cotton farmers eleven A.M. September twelfth at Columbia, South Carolina, is an event of significant importance to cotton growers. It is hoped Secretary Wallace will attend. You are earnestly requested to be present or send representatives. The cotton situation is critical and your support and counsel are needed. Senator E. D. Smith joins me in this invitation.

I. C. Blackwood,  
*Governor of South Carolina.*

## [TELEGRAM]

September 11, 1933

Honorable I. C. Blackwood,  
*Governor of South Carolina,*  
*Columbia, South Carolina.*

Appreciate your wire evening tenth regarding meeting of cotton farmers on twelfth at Columbia. While our cotton crop in North Carolina is comparatively small I am glad to coöperate with you in any and every movement looking toward betterment of agricultural conditions in our respective states. My personal engagements prevent attendance upon your gathering but I have asked our commissioner of agriculture Honorable W. A. Graham to take note of the meeting and be present as my representative.

J. C. B. Ehringhaus,  
*Governor of North Carolina.*

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October 16, 1933

General Hugh S. Johnson,  
*National Recovery Administration,*  
*Washington, D. C.*

My dear General Johnson:

With further reference to your telegram<sup>1</sup> received last week asking the loan of Dr. Frank P. Graham, president of the University of North Carolina, for work in connection with the recovery campaign.

As advised in my telegram, I felt we should submit this matter to the executive committee of the trustees of the University, who met at Chapel Hill on Saturday. There was universal approval of the honor involved in Dr. Graham's designation and desire to leave the final choice to Dr. Graham. A copy of the resolution adopted is enclosed herewith for your information.

In this connection perhaps it is proper for me to say, sympathetic as we are with the aims of your administration and anxious as well to coöperate in every way possible, it is proper that you should be advised that North Carolina has been struggling

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<sup>1</sup>General Johnson wired Governor Ehringhaus asking release of Dr. Graham for NRA service. After referring the matter to the executive committee of University Trustees, the above decision was made.



for some time, and particularly during the last three years, with its own financial problems. This has become so acute as to necessitate the consolidation of the three greater state supported institutions into the Greater University. Dr. Graham has been placed at the head of this consolidation, and when you recall the possibility of conflicts arising out of institutional traditions and sometimes apparently conflicting aspirations you will understand, I am sure, that the task which he has undertaken is one requiring the utmost in tact, diplomacy, institute and alumni confidence. This consolidation movement is now at the most critical stage. Dr. Graham has won already the confidence and esteem of each of the three units and all connected with them. It is felt that no one could possibly be found who could do this as he has done. Even a temporary relinquishment of the helm at this time, therefore, was feared as involving great dangers for the success of the movement and necessarily a complete stagnation of activities during the period of his service elsewhere. Indeed, the resolution is not at all out of line with popular estimation in its declaration that the welfare of the whole educational program in North Carolina is involved and would be endangered by Dr. Graham's absence at this time. All of this by way of emphasizing to you something of the reasons prompting the attitude of the trustees.

It is our understanding that Dr. Graham is, and will continue to be, connected with your committee in an advisory capacity, in which he will be able to give you the benefit of his fine character, capacity, and personality. The University of North Carolina and the state of North Carolina rejoice in its opportunity to serve or assist in this way, and I feel sure that you will understand that in the attitude assumed by the trustees there is no lack of patriotic desire to assist the great movement you have undertaken or to serve the country as a whole in its moment of peril and strain. It is simply a feeling that here at his present post there is another great challenge and opportunity and that you yourself will be able to sympathize with and understand the dangers involved in a relaxation or stagnation of our consolidation activities at this time.

It is not in any way an exaggeration of the truth to tell you that perhaps more than any other man in North Carolina today Dr. Graham enjoys the affection as well as the esteem and confidence of its citizens—particularly those who are interested in its educational life and development as the perpetuation of its

greatest educational institutions and activities. Frankly, it is felt that we cannot spare him, and even more than this, that to spare him at this time would work an infinite havoc and destruction in what we are trying to do in our own State in this battle with the forces of depression and destruction.

With much respect, I am

Sincerely yours,

J. C. B. Ehringhaus,  
*Governor of North Carolina.*

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JANUARY 2, 1934

Mr. Oliver F. Gilbert,  
*Elizabeth City, N. C.*

My dear Oliver:

I am most grateful for your letter.<sup>1</sup> It breathes that spirit of friendship and good will which you have always shown and which I have always appreciated. I think your article in *The Advance* about the sales tax is also in fine spirit.

I am sure that you and all others of an open mind would have come to exactly the same conclusion I reached with reference to this situation. As much as I disliked the tax, it was the only way out of a terrible financial dilemma. You will remember that the proposal was made at a time when our school system was breaking down in 80 per cent, at least, of our counties and when every bank was closed; when our notes in New York were being called for immediate payment, and when we were running behind at the rate of seven million dollars a year; with even highway revenues shrinking up and all disinterested investigators telling us

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<sup>1</sup>This letter was written in reply to a letter from Oliver F. Gilbert, merchant of Elizabeth City, who wrote: "I wonder if the honor is worth the load you must have to carry."

The following clipping from *The Elizabeth City Advance*, July 7, 1933, was enclosed in the letter:

"Gilbert says about sales tax: 'I find that ninety per cent of my customers are familiar with the sales tax which the merchants of North Carolina are collecting for the state.

"Most every citizen should look upon it as just one of those things that couldn't be avoided by our legislators for the money just had to come from some source.

"I have heard some criticism of our governor and our state officials but in fairness to them, they had to show the New York bankers, who hold the bonds of our State, some concrete method of revenue to protect our credit.

"Now that our credit has been protected, our roads are being paid for, our schools assured, let us be good sports enough to pay this tax, feeling that it is a privilege as a good citizen to pay our part in keeping North Carolina in the splendid position she now holds comparative with other states.

"Isn't living in a state where we can boast of such good roads, excellent schools and most everything under the sun good and better, worth the small amount of tax we are paying? I think so."

we had to obtain some eight or nine million dollars of additional revenue. In the face of this situation, under my suggestion, the operating cost of this state government was cut 32.13 per cent (the greatest economical measure, the New York bankers say, in the country); our budget has been balanced; we are living within our income; we are paying our debts promptly, having sent to New York the first of this year over \$6,103,000 principal and interest on our bonded indebtedness without borrowing one penny even in tax anticipation—the first time we have not borrowed temporarily at this season, so I am told, for some twenty years; our credit is saved and safe; we have been able to secure a reduction in interest charges which will save to North Carolina approximately a million dollars for the four years of my administration in interest charges alone; *we are the only state in the Union in which not a single child has been turned away from the schoolhouse* and in which an eight months school term is guaranteed to every child in the State; we are transporting to school one-seventh of all the children transported in the United States; we are paying our teachers a lower salary than heretofore but one which compares favorably with salaries paid in other states and, best of all, we are paying them in cash and on time. It will interest you to know, for instance, that in the state of Kentucky teachers are being paid at the rate of \$30.00 per month in script which must be discounted 25 per cent. Similar conditions prevail elsewhere.

Through the sales tax we have not only saved our credit but we have preserved the integrity of many of our state financial institutions, which were dependent upon North Carolina bonds remaining at par, since approximately \$30,000,000 of North Carolina bonds are owned right in the State and failure to balance the budget would have sent our bonds tumbling from the approximate 71 cents which they were bringing to even lower levels. Today they are worth par anywhere at any time. Such an event also, as you know, would have had a terribly disastrous effect on our merchants and other citizens, for the closing of additional banks would have carried an extra train of calamities.

It will interest you to know also that through the sales tax we have relieved property owners in North Carolina of approximately eleven and one-half million dollars of tax burden.

It is easy to do the popular thing. It is more difficult to do the thing which is unpopular but right. I had no love for the sales

tax and in my first announcement of candidacy expressed my disapproval of it and asserted it was justifiable only as a last resort "to save the credit of the State or keep going its essential activities." Heaven knows if there was ever a crisis which made it necessary to do something to save the credit of the State or keep going its essential activities that crisis existed in March of this year. The Federal government has imposed its sales taxes and much more heavy burdens upon merchants and other tax payers and we are complying with them cheerfully. I know that our people, when they know the facts, will accept cheerfully the burdens which the State has imposed. It will interest you to know also that the imposition of the sales tax and the taking over by the State of the eight months school—saving, as I said before, approximately eleven and one-half million dollars in property taxes to the tax payers—has brought also a considerable relief in Pasquotank County. Tax relief in Pasquotank County by these measures is as follows:

District levies for current expenses . . . . .	\$18,535
Special charter district levies for current expense . . . . .	18,835
Fifteen cents levy for state schools . . . . .	27,933
Current expense for countywide six months schools . . . . .	5,238
<hr/>	
Total amount of Pasquotank County levies . . . . .	\$70,541

On the basis of the first quarter's collections the total of sales tax paid for Pasquotank County for the year would be \$35,-613.92.

Thus you see that our home county of Pasquotank, whose schools are now operated entirely at state expense, has been saved the difference between its sales tax payment and its old real estate levies: \$34,927.08. Every merchant in the community has reaped the benefit from this.

The people, I am sure, are not complaining, but pay the tax cheerfully as a rule.

Forgive this somewhat lengthy letter. There are many other things I could tell you. I thought, however, you would like to know some of the real facts. North Carolina is going ahead; the entire tax burden in the State has been diminished; the State has given great relief to localities by taking over schools and roads entirely, and if localities have run up their tax levies for other purposes than the full measure of relief the State cannot



be blamed, for the responsibility for these extra levies rests upon localities. Real estate has been revalued and tax rates lowered.

My best wishes to you and yours,

Sincerely,

J. C. B. Ehringhaus.

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Washington, D. C.  
January 11, 1934

Hon. J. C. B. Ehringhaus,  
*Governor of North Carolina,*  
*Raleigh, North Carolina,*

Dear Governor Ehringhaus:

I wish to advise you that the code of fair competition for the peanut milling industry was approved by Secretary Wallace yesterday after General Hugh S. Johnson had approved the labor provisions. The code has now been forwarded to General Johnson with the request that it be made effective at the earliest possible date. Some of the peanut millers have been reported as unwilling to sign the marketing agreement until the code became effective.

I am advised today, however, that signed copies of the agreements are now being forwarded to the administration for final action. We shall be glad to expedite the agreement as soon as it is received. In the meantime we are advised that there has been a substantial improvement in the peanut market, which is, no doubt, the result of the prospects for an agreement.

Yours very truly,

J. W. Tapp,  
*Chief, Special Crops Section*  
*Agricultural Adjustment Administration*  
*United States Department of Agriculture.*

January 24, 1934

Honorable Franklin D. Roosevelt,  
*President of the United States,*  
*The White House*  
*Washington, D. C.*

My dear Mr. President:

My good friend, John Park of *The Raleigh Times*, tells me that he is sending to you, by special courier, birthday greetings from a number of our citizens. I assure you that it is a real pleasure for me to take advantage of the opportunity to send you not only in my own behalf but in the behalf of all the people of North Carolina my best wishes on this occasion. In the period since you came into the leadership of the Nation the entire country has learned to appraise with ever increasing appreciation your great qualities of heart and mind and, without regard to party affiliation, you are today the recognized leader of the people, who delight to follow wherever you may choose to lead, in the consciousness that the course you choose is the result of labored study and conscientious conviction.

In this attitude of devoted national loyalty the people of North Carolina and those who occupy official positions in the State have from the beginning been eager and devoted participants, and I am sure that each of them would have me convey to you their sentiments of admiration, esteem, gratitude, and good will. May each day bring to you and yours an added blessing, and may each new year find you increasingly strong in health and happiness, as I am sure you will grow in the hearts of the people.

Sincerely yours,

J. C. B. Ehringhaus,  
*Governor.*

March 30th, 1934

Mr. R. R. Hawfield,  
*Attorney at Law,*  
*Kannapolis, N. C.*

Dear Sir:

I thank you for your letter of March 29th.

I have no manuscript copy of my speech before the teachers, which was made without notes. The figures quoted by me are obtained, or may be obtained, from a study of the appropriations act of the last legislature. A brief outline of these appropriations is enclosed herewith for your information.

From a study of this you will observe that North Carolina appropriated, for all purposes, a little over 42 millions of dollars, of which \$16,667,550 was for highway maintenance, debt service and patrol, \$220,750 for the agricultural fund, including the Department of Agriculture and Experiment Station, and \$25,479,-390 for all other purposes.

Of this twenty-five million dollars, roughly speaking, sixteen million goes to support the schools and a little over four and a quarter millions for debt service. You see, therefore, that every other activity of the State, legislative, judicial, executive and administrative, educational institutions, charitable and correctional institutions, state aid and obligations, pensions, contingencies, amounts to \$5,236,115.00. And since the sales tax collections will amount to over six million dollars, it is manifest that those who talk about avoiding their sales tax by cutting down expenses are misinformed, for if you shut down every activity of the State, including the governor's office, all other state offices, our colleges, insane, deaf, dumb, blind, and other institutions, and cut off all pensions and assume that the State would run itself automatically, you would only have saved \$6,236,115.00, which is less than the sales tax.

Also you will observe from this that those who talk about cutting out bureaus in Raleigh and lowering salaries to avoid sales tax are misinformed, for the total cost of the executive and administrative operation in North Carolina amounts only to \$1,-098,120.00, which is not enough to raise teachers' salaries 10 per cent, since teachers' salaries consume about thirteen of the sixteen million dollars of the school appropriation.

Remember, please, that while our total service now costs a little over five and a quarter million, it used to cost around nine

million, so you see how much of economy has already been wrought and you see how absolutely impossible it is to run these activities with less money without cutting through the bone and spilling blood.

A study of this, I am sure, will make plain to you or to any one else that the simple truth is that our debts, which were incurred before this administration began, in the building of highways, institutions, etc., and the necessary interest and principal payments on these, our public schools and our highways, consume the greater part of our spending. The highways, of course, are taken care of by gasoline and license taxes. And since sixteen of the twenty-four million dollars, roughly speaking, goes to public schools, sixteen-twenty-fifths of every income tax dollar, inheritance tax dollar, franchise tax dollar, and sales tax dollar, which goes into the public treasury, is spent for public schools. This, you can figure for yourself, is about 64 cents out of every dollar.

I too should be very glad to see the sales tax eliminated. For that matter, none of us like to pay any tax. It is manifest, however, that we can't preserve our credit without meeting our debt payments, that we can't carry on our public schools for less money, and that if you take out the sales tax its loss must either be supplied by some other form of tax or the public schools and every other state agency must suffer, and since the public schools get 64 cents out of every dollar they, of course, will be hardest hit.

With all good wishes, I am

Yours very truly,

J. C. B. Ehringhaus.

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[TELEGRAM]

Greensboro, N. C.  
May 8, 1934

Lieut. Governor A. H. Graham,  
*c/o Governor's Office,*  
*Raleigh, N. C.*

The North Carolina State Federation of Labor with a membership in excess of two hundred thousand exclusive of their



families respectfully request the State Board of Education to reconsider adoption of seventh grade history *American History for Young Americans* by Latane and Latane which does not give adequate treatment of organized labor and adopt one of other three books recommended by text book commission.

R. R. Lawrence,  
*President State Federation of Labor.*

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Raleigh, N. C.  
 May 9, 1934

Honorable J. C. B. Ehringhaus,  
*Governor of North Carolina,*  
*Raleigh, North Carolina.*

Dear Governor:

I am in receipt of a wire from Mr. Roy R. Lawrence, president of the North Carolina Federation of Labor, asking that I join him in his protest against the adoption of Latane's History of the United States for use in our public schools. He charges that the history is not fair in its account of the origin and growth of the labor movement in the United States.

While I have not seen the book and cannot pass judgment on it, I know Mr. Lawrence and I do not believe he would protest without a cause. It is highly important that labor be dealt with fairly in our schools and if Latane's History fails in this respect, it should not be adopted.

Therefore, as the official representative of labor, organized and unorganized, I respectfully request that the adoption of Latane's History be deferred until the charge brought by the labor interests can be investigated. I feel sure that if it is sustained our State Text-book Commission will withdraw its approval of the book and the State Board of Education will not adopt it.

I am sending a copy of this letter to other members of the State Board of Education.

Yours very truly,

A. L. Fletcher,  
*Commissioner.*

## [TELEGRAM]

Raleigh, N. C.  
May 9, 1934

R. R. Lawrence, *President*  
*State Federation of Labor*,  
Greensboro, N. C.

Your wire May eighth protesting the adoption of Latane's History received and presented to Board of Education this morning. I am directed to reply that this adoption was made last week and your protest arriving this morning is therefore too late for consideration. The board has not been informed of any statement in this history which is in any way unfriendly to labor and since this is a text to be used in one of the lower grades the treatment of this as of all other subjects is necessarily brief and limited. The Latane book was enthusiastically urged upon us by patriotic organizations in North Carolina including United Daughters of Confederacy. Its price which we are sure is of interest to labor is considerably below the other texts submitted.

J. C. B. Ehringhaus.

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[TELEGRAM]

Shelby, N. C.  
May 10, 1934

His Excellency  
J. C. B. Ehringhaus,  
*Governor of North Carolina*,  
Raleigh, N. C.

It should never be too late for you and the Board of Education to reconsider action that involves such a large number of citizens of North Carolina. Seventh, and all other grade students in our opinion should have opportunity to learn history of the American labor movement as well as history of bloody butchery of our ancestors in revolutionary and civil wars. History text books for all grades that don't include adequate treatment of the labor subject are not cheap at any price in so far as we are concerned. May I also remind you that principally labor pays for text books

and the extra cost of acceptable books recommended by state text book commission would be only from four to eleven cents each. Again I earnestly urge your board to reconsider this matter in fairness to the host of organized workers in our State.

R. R. Lawrence,  
*President State Federation of Labor.*

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[TELEGRAM]

Raleigh, N. C.  
 May 14, 1934

R. R. Lawrence, *President,*  
*N. C. State Federation of Labor,*  
*Winston-Salem, N. C.*

Your wire tenth placed before board and I am directed to reply that while perfectly willing to consider timely protest, the contract in the case of Latane readers was closed by adoption and cannot legally be opened except for fraud or misrepresentation which is not suggested. Incidentally, the commission has been studying these texts for several months without protest from anyone, nor has any suggestion of unfriendliness to labor in any statement of Latane text been brought to our attention. Your protest after adoption had taken place was first and only objection. Also it is suggested that if you will examine the Latane book you will see that approximately the same space is allotted to history of labor as to the history of other activities and if you will look at other books submitted you will observe that there is a difference in space in other texts of only a few pages, in one case only two more pages, one of which is consumed by a cartoon. The board does not feel that it has the legal right to reconsider.

J. C. B. Ehringhaus.

## [TELEGRAM]

May 25, 1934

Mr. J. B. Hutson  
*Chief Tobacco Section*  
*Agricultural Adjustment Administration*  
*U. S. Department of Agriculture*  
*Washington, D. C.*

In the absence of any strong organization of tobacco farmers to look after their interests we are appealing to you as representing all our tobacco growers to take appropriate steps to see to it that the most definite possible assurance be given you as the farmer's official representative that benefits resulting from the proposed reduction of tobacco taxes be properly divided between tobacco consumers and tobacco producers.

J. C. B. Ehringhaus, *Governor of North Carolina.*  
Clarence Poe, *Editor Progressive Farmer and*  
*Past Master N. C. State College.*  
Lionel Weil, *Vice-Chairman North Carolina To-*  
*bacco Growers Advisory Committee.*  
J. Y. Joyner, *Chairman Tobacco Farmers Mass*  
*Meeting Committee.*

## [TELEGRAM]

June 6, 1934

Hon. H. A. Wallace,  
*Secretary of Agriculture,*  
*Washington, D. C.*

Potato growers of Eastern North Carolina and Virginia facing enormous financial loss and probably ruin by present prices. Am asking them to retire fifteen per cent of present crop and store same, and urging marketing agencies to discourage shipments as a means toward better prices. Am also urging other



efforts toward crop control and curtailment. As a means of helping in present situation I beg that you take all possible steps to relieve the situation and particularly that you intercede with Federal Relief Department or other Federal agency and endeavor to secure their assistance in taking off the market as quickly as possible at least three thousand car loads of potatoes. Such could be used in large part in relief work. Immediate action necessary. Mr. Mercker of your Department thoroughly familiar with situation. Will be glad to cooperate in any way suggested.

J. C. B. Ehringhaus.

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June 6, 1934

Honorable H. A. Wallace,  
*Secretary of Agriculture,*  
*Washington, D. C.*

Dear Mr. Secretary:

I sent to you yesterday evening a night letter concerning the potato situation and particularly the price crisis which threatens so seriously Eastern North Carolina and Virginia. Suggestions which have come out of a conference called by me and representatives of growers, Mr. Mercker of the Agricultural Department and others interested, are embodied in the full press statement, copy of which is herewith enclosed. These suggestions are not intended to be dogmatic but they do evidence a very sincere appreciation of the gravity of the situation, the necessity for some definite action, and the willingness to cooperate in every way with the very effective work which your department is doing in protecting agricultural producers.

It was my desire and hope that the Congress might add potatoes as a basic commodity to the list included in the agricultural adjustment act, but it seems that there is little chance of such being accomplished at this session of Congress. It is my thought, frequently expressed to representatives of the department in numerous conferences extending back as far as last September, and in letters to various parties in the department as well, that the situation can never be adequately handled until and unless an effective control, if not an absolute prohibition, of so-called "share planting" contracts is established. These contracts have

inevitably tended toward an ever increasing production, since they have provided an uncontrolled and unlimited production. Price prospects at this time are perilously near \$1.00 a barrel which as we all understand is destructive, and at present it is being frequently stated that the \$1.00 per barrel price will be reached almost immediately.

The suggestion of deliberate efforts to depress prices by securing an overproduction and thus insuring in advance a large supply of cheap potatoes put forward recently at the Norfolk hearing has been repeatedly made in past years; and the possibilities of an easy accomplishment of such designs are splendidly promoted by these uncontrolled "share planting" arrangements. This is particularly manifest when it is remembered that the operations begin in Florida, go all the way up the Atlantic seaboard, and that many of the same operators cover all the territory.

You understand, of course, that the marketing of potatoes cannot long be delayed and that storage facilities are extremely difficult and limited. The immediate crisis, therefore, is emphasized. If I can assist in any way or coöperate with any suggestions that occur to you I shall be delighted. The utilization of the Federal relief agency to eliminate part of the crop from the present market seems reasonable and likely to offer assistance not only in this particular movement but to work in well with the general relief work. A comparatively small outlay of cash would be required.

I am venturing to send a copy of this letter to my good friend Honorable Chester C. Davis of your department, who has always been so sympathetic and helpful in these problems and who I know from frequent discussions has a familiarity with the situation. Also I am sending a copy of this letter to our mutual friend Honorable Lindsay C. Warren, congressman from the First North Carolina District, who is vitally concerned. Congressman Warren, too, has been active and is intensely interested in this situation.

With much respect,

Sincerely,

J. C. B. Ehringhaus, *Governor.*

June 6, 1934

Honorable George C. Peery,  
*Governor of Virginia,*  
*Richmond,*

My dear Governor Peery:

The price crisis in the Irish potato situation and the impending probability of \$1.00 a barrel price is a matter, I am sure, of great concern to you as it is to me, affecting seriously as it does the fortunes of a great number of our citizens in Eastern North Carolina and Virginia. As long as potatoes are not included in the basic crops of the AAA, the power for the government to deal adequately with the situation is limited. Coöperative efforts, however, along certain lines would seem indicated and feasible.

Not dogmatically, of course, but merely by way of suggestion, I have brought this matter to the attention of Secretary Wallace and other Federal authorities, as you will see from the enclosed copy of statement to the press, letter to Secretary Wallace, and letter to Mr. Fred C. Howe of the Consumers Counsel. It occurs to me that you would wish to coöperate in this effort, since the movement of potatoes on the Eastern shore of Virginia is a matter of almost immediate concern.

I shall be only too happy to have suggestions from you with reference to the situation and to coöperate with you and the Federal authorities in so far as is possible. If these suggestions appeal to you I venture to suggest that a similar statement from you to the press, calling for the coöperation of growers and approving the suggestion of relief assistance, would be most helpful.

With assurances of my high regard,

Sincerely,

J. C. B. Ehringhaus.

June 6, 1934

Mr. Fred C. Howe,  
*Consumers Counsel,*  
*Agricultural Department,*  
*Washington, D. C.*

Dear Sir:

I venture to enclose herewith copy of a statement this day issued from the governor's office with reference to the price crisis in the Irish potato situation, an activity that greatly concerns Eastern North Carolina and Virginia. Attention is particularly directed to the last paragraph in this statement concerning proposal to investigate carefully suggestions recently made of deliberate efforts to depress prices by securing an overproduction and thus insuring in advance a large supply of cheap potatoes. More particularly still, I venture to direct your attention to the testimony of Mr. J. V. Champion and others at a hearing held at Norfolk, Virginia, in the potato marketing agreement on May 28th last. Copy of this testimony is not before me and I was not personally present at the meeting, but the substance of this suggestion has been reported to me by the representative of the Agricultural Department; hence this letter.

If such conspiracies have actually taken place as is suggested, untold injury is being done to both consumer and the producer of Irish potatoes. I am wondering if you can give me any information on the subject or assist in any way in clarifying this situation and protecting the public interests involved.

Yours very truly,

J. C. B. Ehringhaus.

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June 11, 1934

Honorable J. C. B. Ehringhaus,  
*Governor of North Carolina,*  
*Raleigh, N. C.*

Dear Governor Ehringhaus:

"The 'Second Reconstruction' in a Southern State" in the weekly magazine section of the *Christian Science Monitor* June



6, 1934, interested me greatly. This is a note of appreciation and a request.

Recently I have been asked by University students concerning opportunities in public service. I have been asked what education, experience, and personal qualifications are essential for success in politics and statecraft. I am not competent to advise them.

John W. Davis and Newton D. Baker have inspired some of our men by their letters to me on law as a career. Dr. Charles Mayo has written to me concerning medicine. A letter from you concerning public service as a career would help and inspire many of our 2,500 students. I would like to use it in personal interviews and in group conferences for educational and vocational guidance.

Your suggestions will be appreciated. I should be proud also to add your letter to my small collection from people of eminence in other fields.

Very sincerely,

H. E. Stone, *Dean of Men,*  
*West Virginia University.*

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Winston-Salem, N. C.  
June 12, 1934

Hon. J. C. B. Ehringhaus,  
*Governor of North Carolina,*  
*Raleigh, North Carolina.*

Mr. E. B. Jeffress,  
*Chairman, N. C. State Highway Commission,*  
*Raleigh, North Carolina.*

Gentlemen:

On May 15th, while traveling west on highway No. 60, at a point approximately two and one-half miles east of North Wilkesboro, going down hill, I suddenly realized there was a sharp right-hand curve right at me. My car began to skid, and in the space of a very few seconds my thoughts traveled: "Curve too sharp, road not banked, no guard rail, don't turn over, steep bank to left, ditch at bottom, and up another bank." Realizing I could not make the curve and would have to go over

the bank, to avoid turning over, I steered car so I would land as advantageously as possible, and did, but at that my car was damaged to the amount of approximately \$300.00. My companion (a factory representative) was cut badly about the head and bruised up considerably, in addition to the shock. One week in hospital.

My own injuries consisted of cuts, bruises, and I was very badly wrenched and profusely strained all over, so much so, that I was confined for over three weeks in a hospital, and if I am able to resume my regular duties in another three weeks, will consider myself lucky.

From reliable sources I have been informed that seven cars and trucks have been wrecked at this point and three people killed. At a point two and one-quarter miles east on same highway, at a curve, twenty-one cars have turned over with varying property damage and injuries, the detail of which I did not ascertain.

And so on and on, we could cite many points on our system of improved highways through the great state of North Carolina, where there are sharp curves not properly banked, in fact, very few curves are banked at all.

Gentlemen, while I am in pain in most any position, from my terrible experience, I take the liberty of addressing this letter to you jointly, asking you to see that our Highway Engineering Department make a survey of our entire system of highways, collecting data as to where so many wrecks have occurred, and in the name of humanity, and for the sake of the traveling public in this great State of ours, see to it that, in the future, all curves are properly banked, and where at present, roads are already laid, suggest they be torn up, properly banked, and guard rails erected where at all necessary. Some may argue, reduce speed and no accidents will happen. My reply would be that we could (if we so desired) go back to the age of oxen and wooden plows.

I am mailing a copy of this letter to a number of our leading newspapers throughout the State, hoping it will be published by all of them, and through the combined efforts of editors and readers, together with the efforts of both you gentlemen, our highways may be banked on the curves that (which common sense on the part of anyone, even though we are not all highway engineers, would indicate) will afford safety to the travel-

ing public, and adequate guard rails will be placed at points where there is danger.

Believing that the \$6,000,000.00 surplus which our newspapers tell us is in the Highway Department should be used (or a large part of it) for the above purpose, rather than have it diverted for some other use than for which it was collected, and that many men could be given employment and money spent where real benefits would be received, if the above suggestion is followed, I am

Very respectfully yours,

R. H. Mickey.

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June 13, 1934

Mr. R. H. Mickey,  
2112 S. Main Street,  
Winston-Salem, N. C.

Dear Sir:

This will acknowledge receipt of your joint letter to Chairman Jeffress of the Highway Commission and to me, dated June 12, 1934.

I very much regret to hear of your accident and injury and very much hope that you will soon recover. Let me assure you that the Highway Department will give all possible attention to the correction of highway hazards. Unfortunately, its spending is limited not by its disposition to correct these but by act of the General Assembly, under which it is not permitted to use the surplus. I quite agree with you that highway funds should be used for highway purposes and not diverted to other activities.

Yours very truly,

J. C. B. Ehringhaus.

The White House  
Washington, D. C.  
June 13, 1934

Honorable John C. B. Ehringhaus,  
*Governor, State of North Carolina*  
*Raleigh, North Carolina.*

My dear Governor:

The administrator of public works advises me that in conjunction with the chief of engineers, U. S. Army, a detailed study has been made of the proposed improvement of harbor facilities at Morehead City, North Carolina.

It appears that the initial dredging of the entrance channel will cost approximately \$550,000 and that should rapid shoaling occur, shore arms should be built at an additional cost of \$530,000. There is a further possibility that extension of the shore arms may eventually be necessary, at a further cost of \$475,000.

Taking into consideration the manifold benefits which will result from completion of this project and the construction of a Marine Terminal by the city of Morehead City, North Carolina, the administrator is of the opinion that the improvement of the entrance channel and harbor by the Federal government and the granting of a loan to the city of Morehead City for the construction of a Marine Terminal is justified.

Funds now available to the Public Works Administration are insufficient to permit of making an allocation to this project at the present time, and further action must accordingly await the appropriations of additional funds for public works by the Congress.

Very sincerely yours,

Franklin D. Roosevelt.



June 14, 1934

Dr. H. E. Stone,  
*Dean of Men,*  
*West Virginia University,*  
*Morgantown, West Virginia.*

My dear Dr. Stone:

Let me thank you for your letter of the 11th, expressing appreciation of my article in *The Christian Science Monitor*. I am glad that it met with your approval.

Your request for an opinion as to the value of education, experience, and personal qualifications as essential to success in politics, is interesting. I am quite certain that if our American institutions are to survive, we must give these qualifications high place. I should hate to think that the electorate as a whole had abandoned any consideration of these qualifications in making choice of officials.

I doubt very much whether I am in a position to advise your students as to the desirability of adopting public service as a career. I am not a professional politician, but I am holding the only office which I ever coveted. A real love of state and country, however, invites all men to a consideration of public service as an opportunity for an expression of their patriotism. I do not think that I would advise any young man to cultivate an ambition to spend his entire life in public office or in seeking after it.

Thanking you, I am

Sincerely yours,

J. C. B. Ehringhaus.

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Wilson, North Carolina  
June 18, 1934

Hon. J. C. B. Ehringhaus,  
*Raleigh, North Carolina.*

My dear Governor:

Recently while driving through Virginia, I bought gas at fifteen and one-half cents per gallon at a number of stations; while in this State, we are paying twenty-two cents.

Down at Morehead City the other day, regardless of the fact

we have water competition there and the influence of the Inland Waterway, I paid the same price I do in Wilson.

The tax in Virginia is only one cent per gallon less than it is in this State. I believe there is a combination between the gas companies to milk North Carolina, just as there is a combination between the railroads and the Virginia cities to milk North Carolina as to freight rates.

Our fathers endeavored to fix it so we could develop North Carolina by building railroads from the sea to the mountains. They tried to develop Wilmington and enable its rates to compete by building the Cape Fear and Yadkin Valley to the Virginia line and thus enable it to connect with the Norfolk and Western, but the Coast Line and the Southern secured the line and bottled Wilmington up so the port has little influence on rates. They built the Atlantic and North Carolina and the North Carolina and the Western North Carolina, but we have allowed politics and combinations by the railroads and the Virginia cities to drain our resources through high rates and prevent the growth of our cities. We have built the Virginia cities at the expense of North Carolina.

In connection with the development of the port at Morehead the State should either operate the Atlantic and North Carolina road to get rates down as low as the Virginia cities, or the road to which it is leased should be made to haul freight as low as it is put into Norfolk. There is nothing that would help this State more than attention to these matters.

Yours very truly,

John D. Gold,  
*Editor Times.*

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June 21, 1934

Mr. John D. Gold,  
*Wilson, N. C.*

My dear Mr. Gold:

I am glad to have your letter of June 18th, with enclosures.

You voice my sentiments and I am, as you have no doubt noted from the press already, interested in this discrimination against North Carolina in gasoline prices. The report opens a

real opportunity and I hope that we may be able to take advantage of it and I shall bend my efforts to this end.

With kind regards, I am

Sincerely yours,

J. C. B. Ehringhaus,  
Governor.

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Charlotte, N. C.  
June 23, 1934

To His Excellency  
J. C. B. Ehringhaus,  
*Governor of North Carolina.*

The Retail Price of  
Gasoline

Dear Sir:

In the public press of recent date we have noted appeals made to you to investigate the retail price of gasoline, these appeals calling your attention to the wide variations between retail prices in North Carolina and retail prices at certain points in Virginia.

You are aware that the North Carolina road tax is 6 cents per gallon, while the Virginia road tax is only 5 cents per gallon, and that Virginia imposes no inspection tax while North Carolina imposes an inspection tax of  $\frac{1}{4}$  cent per gallon. Freight rates we presume from seaport terminals serving inland towns in North Carolina are approximately the same as from seaport terminals serving inland towns in Virginia, except that the city of Richmond, Virginia, receives direct deliveries from tank steamers plying the James River. This gives Richmond a lower delivery cost per gallon than would otherwise be obtainable and permits tank car shipments from Richmond to other points at a lower cost than from the coast.

It is not surprising that people are exceedingly sensitive about the price of gasoline and raise continuous clamor when variations in price exist between different points.

The reasons are:

First. They know little or practically nothing about the price of producing or marketing gasoline.

Second. They frequently see varying prices posted for various grades.

Third. News regarding the retail price of gasoline is front page copy for newspapers.

Fourth. Every automobile owner finds it necessary to pull up to the pump several times per week and usually it is necessary to pull out the cash to cover his purchase.

Fifth. The frequent changes in the retail price cause the subject to be agitated.

The average man cannot tell you the retail price of the ten most common articles on his table from day to day. The price of cigarettes, ginger ale, beefsteak, a dozen eggs, a pound of sugar or coffee are not at all interesting to him, yet he is keenly aware of the retail price of gasoline. He does not kick to his grocer, his druggist or to his doctor with regard to the price of merchandise or service. He does register a kick frequently about what he pays for gasoline.

By exhaustive research and the development of modern scientific methods, the oil industry has succeeded in reducing the cost of gasoline to a point that for several years it has been the cheapest commodity on the top side of the earth. Its delivery to the consumer is made the most convenient and is accompanied by a greater amount of service than any other commodity. It nevertheless costs a great deal to produce gasoline and to provide this convenience and free service.

The average individual reacts unfavorably when required to pay the 3 per cent sales tax on ordinary commodities in North Carolina, but apparently never recognizes that he is now paying and for a number of years has been paying a retail sales tax on gasoline of from 100 per cent to 200 per cent of the net price received by the refiner. The tax on gasoline in North Carolina represents today more than 100 per cent of the net price return to the refiner and approximately one-third of the total retail price.

Nearly all the gasoline consumed in North Carolina is made from crude petroleum produced in Texas and Oklahoma, at refiners located on the Mississippi River or along the Gulf Coast. The price on board tank steamers at Gulf ports, depending upon the quality, is today from 5 cents to 5½ cents per gallon.

This gasoline delivered at Atlantic Seaboard terminals, such as Wilmington, N. C., or Norfolk, Virginia, after having added the ocean freight rate and terminal charges and after having



been treated with "Q" brand tetra ethyl lead, is quoted for tank car shipments at a price of 7 cents per gallon. This represents the popular advertised brands of the major companies.

Then starting with this price

Wilmington or Norfolk, tank car . . . . .	7	cents per gallon
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To this add the rail freight to inland North Carolina points, averaging . . . . .	2.05	cents per gallon
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We then add the North Carolina state road tax . . . . .	6	cents per gallon
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The North Carolina inspection tax . . . . .	.25	cents per gallon
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The Federal tax . . . . .	1	cent per gallon
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We then add the cost of wholesale delivery from bulk plants to dealers. (This cost is made up of investment, maintenance, depreciation and operating expense of bulk plants, tank truck equipment, pumps and tanks loaned to dealers, salaries and commissions paid all wholesale employees, general administration expense, together with insurance, license, ad valorem and other taxes.)

This wholesale delivery cost will average . . . . .	3	cents per gallon
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To this we add the retail dealer margin or the cost operating retail stations. (This includes the investment, maintenance, depreciation and the operating expense of retail stations, salaries, commissions paid all retail employees, insurance, license, ad valorem taxes).

A dealer margin is provided of . . . . .	4	cents per gallon
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This gives a total of 23.03 cents per gallon retail price. This is slightly higher than the average retail price in North Carolina today.

From this you will note that if normal retail prices prevail the actual net return received by the oil company at the refinery represents less than one-fourth of the total retail price at the pump. The state and Federal governments obtain approximately one-third of the total retail price. The wholesale and retail delivery cost represents another one-third. The rail freight represents approximately 10 per cent.

The oil industry is recognized as a highly precarious business from beginning to end. Prospecting for new crude production is a pure gamble. There is one chance of two that a dry hole costing from \$50,000.00 to \$100,000.00 will be the result of the effort to locate oil. After oil is located no one knows what quantity will be produced or what its value will be when brought to the surface or what products it will produce when refined or what price will be obtained for the refined product.

More than \$12,000,000,000 are invested in the United States in oil production, transportation, refining and marketing facilities. This investment is distributed among hundreds of thousands of investors who expect a fair return on their investments. The petroleum industry perhaps gives employment to more people in North Carolina than any other industry and perhaps represents a larger investment in real property than any other industry in the State.

Such a business should be permitted to operate profitably.

The petroleum industry has not been profitable for a number of years. The Standard Oil Company of New Jersey, more successful than most companies, has not earned its dividend for the past four years, and yet the industry has continued to improve its product and to maintain a high type of service, both in wholesale and retail operations, and the legitimate industry has continued to meet its tax obligations.

On the other hand every one connected with the oil industry or with the collection of taxes knows that the "Cut Rate Gasoline" is likely to be gasoline on which the State has failed to obtain its tax of  $6\frac{1}{4}$  cents per gallon and the Federal government its tax of 1 cents per gallon. Men of little or no financial responsibility with practically no investment except an old truck or a storage tank located on railroad property, buying the lowest grade of gasoline that can be sold within the State, and offering no wholesale delivery service and very poor retail delivery service, disregarding the legitimate dealer margin and the wholesale delivery cost, evading, if possible, the tax cut the retail price and expect by building up volume on the cut price basis at the expense of the legitimate industry to operate at a profit.

The legitimate wholesale companies operating in the neighborhood of such a dealer dislike to see their retail dealers forced out of business by the cut price and undertake to protect their dealers by lowering the wholesale market and authorizing the dealers to meet or partially meet the cut retail market. This results in breaking down the normal retail price in one locality below the existing normal retail price maintained in another locality. As soon as the price of the price chiseler is met or approximately met, he loses in volume of sales and perhaps will soon fade out of the picture and seek new fields, not because he is forced out of business, but because he had set up a system under which unless he can undersell the normal price of the

legitimate industry he cannot attract sufficient business to provide himself a livelihood.

The tax records of the state of North Carolina bear eloquent testimony to the hundreds of thousands of dollars lost to the State in uncollected and uncollectible taxes due the State by these "Fly-By-Night" oil companies, who flourished temporarily while they avoid their tax payments and undersell and demoralize the local market.

Sound business conducted along legitimate lines and rendering an essential service to the public is entitled to a legitimate profit. The destruction of the legitimate profit by the price chiseler threatens the livelihood of those engaged in a sound legitimate business, their stockholders, local institutions and the State itself.

We understand one of the primary purposes of the National Industrial Recovery act was to bring about conditions under which legitimate business could operate successfully and give employment to large numbers of people at fair wages, and a further purpose of the National Industrial Recovery act was to protect legitimate industry against the destructive price chiseler who for temporary personal gains attempts to destroy the profits of legitimate industry.

This spirit is manifested in a great many lines of industry and it is generally appreciated that industry must operate at a profit, but strange to say this spirit is not always manifested toward the gasoline industry, apparently because people jump to the false conclusion that exorbitant profits are realized in this industry.

The retail dealers and wholesale distributors of gasoline insist upon their normal operating margin regardless of how destructively low the retail price of gasoline may be. The refiner in nearly every case is compelled to carry the entire loss when prices are forced below cost.

For the protection of the State and its tax returns and for the protection of legitimate industry, when gasoline is selling below cost in any community, investigation in our opinion should be directed toward ascertaining why the cut retail conditions developed and the forces of the State should be directed in a concentrated effort to make sure that the State obtains its taxes on gasoline, because if the price chiseler can evade the taxes it affords him a wide margin with which he can continue to demoralize the retail price.

We trust this information will be of service to you and we are at your command when further information is required.

Yours very truly,

C. M. Byers,  
*Manager, North Carolina Branch*  
Standard Oil Company of New Jersey.

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[TELEGRAM]

June 28, 1934

Reported discriminations<sup>1</sup> against North Carolina and its retail gasoline dealers have reached such proportions as to constitute a serious situation demanding immediate correction. Dealers near Virginia line are entirely suspending business by reason of unjustifiable practice of selling to Virginia dealers at five to six cents below prices quoted in North Carolina. I request that you send representatives to confer here with the attorney general, commissioners of revenue and me in my office on Tuesday July third at eleven o'clock. Similar request to other companies.

J. C. B. Ehringhaus, *Governor.*

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Concord, N. C.  
July 20, 1934

Honorable J. C. B. Ehringhaus,  
*Governor of North Carolina,*  
*Raleigh, N. C.*

Dear Governor:

We have your letter of July 10th, with enclosures, in reference to the complaint made by G. W. Goodman and have made an investigation as to this case.

After investigation we find that the Goodman boy was given a pretty good switching on the night previous to his leaving the institution. The arrangements for the parole of this boy had been made a month or two prior to this upon the suggestion of

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<sup>1</sup>This telegram was sent to all oil companies selling gasoline wholesale in North Carolina.



the welfare officer, or boys' commissioner, of the city of Winston-Salem. We had notified the welfare officer sometime prior that if he would come for the boy and take charge of him in Forsyth County we would parole him.

You, of course, understand that these boys are put in cottages of about thirty boys each, with a cottage father and mother to look after them. Mr. and Mrs. Alfred Carriker were the cottage father and mother for this particular boy and he had been in their cottage for more than five years.

Mr. Carriker states that he did give the boy a whipping and used a hickory switch about two feet long, slightly larger than a pencil at the big end and tapering gradually to the small end. The end was not cut off. The switch was not used with the full arm but from the elbow down.

The immediate cause of the switching was not placing rocks in the beans, but for putting a cock roach in food on several occasions and for repeated disobedience in refusing or neglecting to obey or to do what he was told to do.

Mr. Carriker stated that he did not whip him in anger or with malice, that he and Mrs. Carriker were fond of the boy and bought him Christmas presents and gave him money at the county fair on several occasions. He says that the boy was not whipped before breakfast on the day he left but on the night previous, and Mr. Carriker says that on the morning he left he gave the boy a bath and paid special attention to the boy's body; that he noticed blue marks on his legs and two such places on his back near the shoulder blades. He did not notice any black eye and there were no abrasions of the skin. He says that the boy seemed to be in the best of humor when he left and thanked him and Mrs. Carriker for what they had done for him. He made a special effort to tell Mrs. Carriker good-bye and thanked her especially for what she had done for him. Mr. Carriker says that the boy was not severely or brutally whipped but that the punishment was administered in the spirit of and for the purpose of correction.

The boy had on his shirt and overalls when the punishment was administered.

The above facts were obtained from statements from Mr. and Mrs. Carriker, and the house boys where the Goodman boy worked.

Mr. Carriker has been in the employ of the school for over ten years and has handled a rather large average of the boys

who were hard to control. He is often given the worst boys on account of the ease and tact which he uses in getting the best out of them. He is a man of fine character, speaking the truth to his own hurt. We cannot conceive of his taking a delight in the punishment of any boy. He says he frequently goes for months without corporal punishment. Numbers of boys have not had any corporal punishment during their stay at school.

Of course, you will understand that most of these five hundred boys sent to the Jackson Training School are there because their parents are unable to control them and they are considered incorrigible. One of our chief concerns is to see that they are properly taught and controlled, so that when they are discharged they will make good citizens and a majority are making good.

Anything further that you might wish to know, we shall be only too glad to be at your service.

Respectfully yours,

Charles E. Boger,  
*Superintendent,*  
Stonewall Jackson Training School.

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[TELEGRAM]

July 23, 1934

Honorable Chester O. Davis  
*Agricultural Adjustment Administration,*  
*Washington, D. C.*

Papers report you will have meeting tomorrow to consider parity price for this year's tobacco crop and marketing agreement to insure it. I know that you and your associates will exercise every effort to protect the growers' interest. Nevertheless, you will pardon the anxiety which prompts me to urge that the price be fixed sufficiently high to make the shorter crop yield to the growers a total at least as great as last year. Nothing less than this would be equitable or accomplish in my judgment that parity which is sought.

The constant rise in the price of commodities which the grower must purchase has of course boosted greatly the parity

level which is probably now well over the twenty-two cents mentioned. Whatever that figure be, it is essential that the growers have the benefit of it.

Thanking you for past favors.

J. C. B. Ehringhaus.

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[TELEGRAM]

Charlotte, N. C.  
September 5, 1934

Governor J. C. B. Ehringhaus  
*Raleigh, N. C.*

Special representative sent to Cliffside reports all quiet and no violence. Flying squadron did not visit Marion. Am sending special representatives to scene of all alleged trouble. Have advised everyone there must be no violence or threats. Have advised flying squadrons to continue their work on peaceful basis. Report here that you have ordered state patrol to drive our flying squadrons off highway. Cannot conceive of this being true. Please advise. Will speak again over WBT ten forty five tonight.

R. R. Lawrence, *President*  
State Federation of Labor.

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[TELEGRAM]

September 5, 1934

Mr. R. R. Lawrence,  
*President, State Federation of Labor,*  
*Charlotte, N. C.*

Your wire regarding report from Cliffside just received. Local authorities report present quiet is the quiet of surrender to force of flying squadron previously demonstrated. Manifestly your advice against violence and disorder is being constantly disregarded. My statements cover general situation. Regret have been forced to call on military to aid in protection of the right of laborers to work in peace when they so desire.

J. C. B. Ehringhaus.

## [TELEGRAM]

September 5, 1934

Mr. R. R. Lawrence, *President,*  
*N. C. State Federation of Labor,*  
*c/o Hotel Charlotte,*  
*Charlotte, N. C.*

Replying to your telegram. My office is deluged with reports of violence and intimidation by flying squadrons and forcible closing of mills where workers are content and anxious only for a chance to continue their work. Serious interference with workers and forcible closing of mill reported from Cliffside and Spindale today by responsible and disinterested agencies including officers of law and workers who demand only protection in their desire to work. This information comes from unimpeachable sources. As stated repeatedly the right to strike and the right to picket peacefully is conceded, but the right to work peacefully must also be admitted and is entitled to the same degree of protection and intimations through demonstrations of force or actual violence go beyond the law. Those who desire to quit work and go on strike will be protected in this right but those who wish to work must also be protected and left alone. Reports just received indicate flying squadron on way to Marion where workers are satisfied, with declared intention of closing down these mills. Again I appeal to you to stop unlawful activities of flying squadron or others and cease interfering with those who wish to work. This last appeal is made in the hope that it may avoid drastic measures. Unless these men are protected in their right of peacefully working I shall be compelled to use the full force of the law for their protection and I shall do so immediately. In such action there is no desire and purpose to break your strike. Strikers will be protected in their rights. But strikers also cannot be permitted to break up by violence and intimidation peaceful and contented employment and force other workers against their will into the ranks of unemployed and suffering. For such results as may ensue those who first made use of violence against peaceful workers must bear the responsibility. Your immediate assistance is requested. I must be assured or act today.

J. C. B. Ehringhaus, *Governor.*



Washington, D. C.  
November 10, 1934

In the matter of the Proposed Shenandoah-  
Great Smoky Mountains National Parks  
Scenic Highway.

My dear Governor Ehringhaus:

After a careful study of various reports on the proposed route of the Shenandoah-Great Smoky Mountains National Parks Highway, as it affects the states of Tennessee and North Carolina; after listening to arguments presented at the hearing held in the Interior Building, Washington, on September 18, 1934; after studying the maps and reading the briefs offered; and after considering reports made to me by members of this department who, at my instance, made personal inspections of the two routes, I cannot escape the conclusion that the decided weight of the evidence is in favor of the so-called North Carolina route. Heretofore, I have already determined the route from the Shenandoah National Park running west through the state of Virginia and across North Carolina as far as Blowing Rock in the latter State. My further decision is that the route from Blowing Rock to the Great Smoky National Park shall follow approximately the route suggested by the proponents of the so-called North Carolina route; that is to say, west of Blowing Rock the route will run south of Linville City along the Blue Ridge and the Mount Mitchell and Craggy ranges, which lies east of Asheville, North Carolina, thence into the Mount Pisgah range, bending sharply northwest on a line along that range west of Waynesville, with an entrance into the park at a point where it will connect with the Newfound Gap Highway near Cherokee, North Carolina.

Of the several considerations that led me to this conclusion, the most influential was the circumstance that Gatlinburg, Tennessee, already has a recognized and well-established entrance to the Great Smoky National Park. This fact of itself did not determine my decision in favor of the North Carolina route. If that route were so inferior in scenic attributes, as compared with the Tennessee route, that it could not qualify in its own right as a "scenic route," my decision would not favor it. However, none of the protagonists of the Tennessee route, at any point in the hearings held before me, attempted even to question

the value of this route from a scenic point of view. As a matter of fact, as I recall it, at least one of those appearing on behalf of the Tennessee route frankly admitted that scenically there was nothing to choose between the routes.

If then, from the scenic point of view, the North Carolina route is no less desirable than the Tennessee route, it seems to me that, in all fairness, we should take into account the fact that Tennessee already has through Gatlinburg an entrance into the Great Smoky National Park. It surprised me at the time of the hearing that this point was not more strongly stressed by the proponents of the North Carolina route. Reference was made to it by two or three of the speakers, but not as if it were a matter seriously to be urged. It was noted that the advocates of the Tennessee route did not even mention Gatlinburg as a present well-established entrance to the park. Arguing for a right equal to that of North Carolina to share in the tourist traffic that is expected to be attracted to this park, they chose entirely to overlook the fact that even with the scenic parkway traversing North Carolina from the Virginia line and entering the park at Cherokee, Tennessee would still have a gateway into the park equally, if not more, important than that which North Carolina will have at Cherokee.

Other things being equal, it seems to me to be so inequitable and discriminating, as against the state of North Carolina, to give Tennessee the sole entrance into the park both from the east and from the west at Gatlinburg which it would have if its contentions for the scenic highway were upheld, that Tennessee, considering the character of its citizens and the eminence of its public men, might have been expected to be among the strongest advocates of the North Carolina route. Through Gatlinburg will flow the tourist traffic from the great West and Northwest. Some 73,000,000 people already dwell in the area west of the Alleghany Mountains, which is tributary to the Gatlinburg entrance, while the area east of the Alleghany Mountains, from which access to the park will be through the Cherokee gateway, contains approximately 50,000,000 people. Here is a present disproportion in favor of the Gatlinburg entrance of some 23,000,000 people besides which it is reasonable to expect that the growth in population of the country tributary to the Gatlinburg entrance will be much greater than in that section which will naturally seek the Cherokee entrance.

Tennessee argued eloquently for the proposition that the

scenic parkway represents some sort of a bargain or understanding as between that state and North Carolina for the location of the scenic parkway in such a manner as to give approximately fifty per cent of the parkway west of the Virginia line to Tennessee and an equal extent to North Carolina. Even if Tennessee is entitled to fifty per cent of the tourist travel entering the park, it might be urged, although it was not referred to at the hearing by any of the advocates of the North Carolina route, that, with the entrance it now possesses at Gatlinburg, Tennessee is already assured of at least fifty per cent of the tourist trade. To throw the proposed scenic parkway northwest into Tennessee from Linville would, it seems to me, reasonably assure Tennessee upwards of ninety per cent of the tourist trade. I can see nothing equitable or fair in such a proposition.

If, as Tennessee insists, there was such a bargain between the contending states for that part of the scenic highway west of the Virginia line, the United States was no party to it and is not bound by it. The United States has a paramount interest in this scenic highway. It is to become the property of the United States. It is to connect two national parks, title to which now is or will be in the Federal government. Moreover, while the right of way is to be donated by the states, according to the understanding between the United States and the interested states, the road itself, which it is estimated will cost some \$16,000,000, is to be financed solely by the United States.

The United States has never entered into any understanding or made any bargain with any of the states involved, beyond assuming the obligation to build and take over the highway if the states should provide satisfactory rights of way. The Federal government reserved the right to final determination of the route. The state of Tennessee cannot be heard to argue that, without the knowledge or consent of the Federal government, which was to supply the money, it made a bargain with the state of North Carolina for any particular route. My own recollection is that representatives of the states of Virginia, Tennessee and North Carolina came to me, as administrator of Public Works, to propose this scenic highway. I was told that each state would be willing to provide to the Federal government, free of cost, whatever land it might desire for such a highway. My understanding was that we would be free to call upon Virginia, Tennessee and/or North Carolina for such land for a right of way as we might decide upon. The decision against this parkway



would have been instant if I had been asked to favor, without investigation, a route which was the result of a bargain on a fifty-fifty basis between the states of Tennessee and North Carolina. Since the government would not have been interested in such a proposition if it had been disclosed, it cannot be bound by it if it was undisclosed.

From the first, it was understood by all concerned, including the representatives of Tennessee, that what was proposed to be undertaken, with the aid of the Federal government, was the construction of a scenic highway. That term means to me the most scenic highway possible, consistent with avoidance of cities, relative directness of route, and ability to build at a reasonable cost. I find that the route proposed by Tennessee meets the requirements of a scenic highway. I find, however, that the route proposed by North Carolina is a more scenic route than the one proposed by Tennessee.

This is an additional reason for my decision in favor of the North Carolina route. Not only is the North Carolina route more scenic than the Tennessee route, but, by reason of its higher altitude, on the average it can be depended upon for lower temperatures during the months of greatest travel. This route has the additional advantage that for about sixty miles it will traverse the Pisgah National Forest. It will have to cross only three fairly large streams, namely, the Linville, the Swannonoa and the French Broad rivers, while, on the other hand, the Tennessee route would have to cross seven rivers. Running near the tops of the ridges as it will, the North Carolina route will afford a view of the surrounding country, and offer to the eye scenery that would not be accessible to so great a degree if the Tennessee route were adopted.

It is my opinion that in the end Tennessee and North Carolina, while profiting equally, will each also profit in greater degree with the eastern terminus of the parkway at Cherokee and the western one at Gatlinburg than if Gatlinburg offered the only entrance. People entering the park at Gatlinburg will want to go through the park and out on the North Carolina side. And, equally, people from the east, reaching the park through Cherokee, will naturally want to leave it at Gatlinburg. More people will be attracted to the park if there are both of these entrances than if there were only one, and, with few exceptions, all people entering at one of the entrances will not be satisfied until they have seen the other. Two entrances will mean greater cir-



culatation, greater diversity of interest, and greater freedom of movement, all having the effect of attracting more people.

It is urged that the North Carolina route is four miles longer than the Tennessee route. In my opinion this is so negligible that it need not to be taken into consideration, especially in view of the fact that a final survey may vary the mileage figures one way or the other.

While it seems to me that, other things being equal, the question before me should be decided on the basis merely of the physical facts involved, and while it has so been decided, it will not be inappropriate to refer to certain economic arguments that were urged at the hearing. North Carolina insisted that to select the Tennessee route would be to sound the death knell of the large tourist business which had been built up in North Carolina with Asheville as its center. In the opinion of Tennessee this tourist trade should not be taken into consideration. I feel that this tourist trade should not be given undue weight or have the effect of a final consideration, but nevertheless it seems to me fair to take it into account.

Unless there should be some compelling reason for so doing, it could not be justified, ruthlessly and with open eyes, to destroy a long-established business and lay waste economically a section that, by its initiative and energy, has built itself into a commanding position as a tourist area. It might even be argued that the money spent by the Asheville area to advertise that section of the country had something to do with the selection of the Great Smoky Mountains as the site of a national park. To many people in all parts of the country that particular section means Asheville. It is claimed by some that the idea of creating this national park had its birth in North Carolina, and whether that be true or not, it is a fact that the Asheville section did persistent work in crystallizing sentiment, not only in its own State but throughout the country, for this national park, although I would not for a moment minimize the interest of Tennessee and the fine endeavors put forth in that State for this project.

The tourist trade is the very life blood of this city, and a large part of the surrounding country. To adopt the Tennessee route would be cutting an economic artery and this should not be done lightly or without preponderating reasons. Since there is no present tourist travel along the proposed Tennessee route, no economic injury to that section will result from adopting the

North Carolina route. Therefore, in view of the facts, first, that at Gatlinburg, Tennessee has what will be for all time one of the important gateways to the park, and second, that the North Carolina route is more scenic than that of Tennessee, it will be seen that the weight is against the arbitrary selection of a new route that would mean economic ruin to many thousands of people. Moreover, while I subscribe to the views expressed at the hearing that North Carolina is not entitled to special consideration as the second largest contributor of internal revenue taxes to the Federal treasury (it being self-evident that North Carolina does not pay these taxes itself but merely collects them from users of tobacco everywhere throughout the United States), the fact cannot be ignored that through the Tennessee Valley Development, the United States is investing many millions of dollars in Tennessee for the economic rehabilitation of that State, while it is doing nothing comparable in North Carolina.

There is a further consideration in favor of the North Carolina route. People who have studied the matter for many years have visualized a great national scenic highway which would start perhaps in New Hampshire and follow the first definite line of mountains west of the Atlantic Seaboard all the way to Georgia. This chain is often referred to generically as the Blue Ridge. From the White Mountains in the north it merges into the Berkshires of Massachusetts and Connecticut; the Highlands of the Hudson in New York; the mountainous northern section of New Jersey; the Blue Ridge of Maryland and Virginia and North Carolina, and ends roughly at Stone Mountain in Georgia or possibly in Pine Mountain about fifty miles still further south. There it melts into the coastal plain of the Gulf and south Georgia. The North Carolina route will serve as a more logical connecting link between the northeast Atlantic States and the southeast Atlantic States than if it were to be carried into Tennessee.

If the scenic highway under discussion is as successful as we believe it will be, there is no reason why the increased demand for routes of this type should not result in the building of another north and south scenic highway which would follow roughly the main chain of the Appalachian system. Such a route would begin logically in western New York, south of Buffalo and would run through western Pennsylvania, West Virginia, eastern Kentucky (i.e. Cumberland Mountain on the Virginia-Kentucky line), where it would cross the valley through or near Bristol to tie in with the mountains on the Tennessee side and there enter

the Great Smoky National Park. Or it could go a little further west to a point near Knoxville and thence to Chattanooga.

It is with reluctance that I overrule the finding of a board appointed by myself and consisting of Messrs. Radcliffe, MacDonald and Cammerer, which found for the Tennessee route. However, the state of North Carolina had the right of appeal to me and since that right was exercised, it is my duty to decide the issues in accordance with my conscience and my best judgment. To my mind it is so clear that the equities in this controversy are with North Carolina that my finding must be to that effect. I regret that I cannot concur in the report submitted to me by the committee referred to, and it is hereby overruled.

Sincerely yours,

Harold L. Ickes,  
*Secretary of the Interior.*

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Washington, D. C.  
November 12, 1934

Honorable J. C. B. Ehringhaus,  
*Governor of North Carolina,*  
*Raleigh, North Carolina.*

My dear Governor:

Now that the route to connect the Shenandoah and the Great Smoky Mountains National Parks has been finally determined, I hope that rapid progress will be made to secure the necessary right of way in your State. We will have to make up for lost time. It is to your interest, no less than that of the Federal government, that no time be lost.

The Federal government wants very much to have a right of way 1,000 feet wide. I realize that in certain sections it may be impossible to do this, but even where we cannot get an actual right of way of this width, we will want a scenic easement for 1,000 feet and an actual right of way for not less than 200 feet. You will recognize, of course, the necessity of protecting this parkway from billboards, hot dog stands, and other unsightly encroachments.

Sincerely yours,

Harold L. Ickes,  
*Secretary of the Interior.*

## [TELEGRAM]

Raleigh—November 23, 1934

Mr. J. B. Hutson,  
*Agricultural Adjustment Administration,*  
*Washington, D. C.*

I cannot put too strongly my conviction that, in order to preserve united front tobacco sign-up in connection with Kerr bill, referendum is imperative and I earnestly urge this course. Messages coming into this office show overwhelming sentiment that it is necessary and that growers are now anxious to sign while delay may result in complications. If extension and county agents are now busy with other duties sufficient help to carry on is available from warehouse employees, committeemen and anxious growers. If another sign-up should be made necessary by later legislation or change of policy that too can be accomplished in same way. Growers recall that tentative contracts were signed before and final contracts and desired legislation came later and growers feel intensely the same course can and should be pursued now. Dislike to worry you with repetition of this plea but impressed that you should be advised of feeling and confident this course highly desirable. By acting now we have all to win and nothing to lose. Our gratitude for past assistance emboldens us to carry all our troubles to you.

J. C. B. Ehringhaus, *Governor.*

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November 28th, 1934

Honorable Franklin D. Roosevelt,  
*President of the United States,*  
*Washington, D. C.*

My dear Mr. President:

This letter is written upon the suggestion of Mr. Harry Hopkins. While in Washington recently and at lunch with him I discussed our activities in North Carolina in behalf of rural electrification. Having been interested in this subject for some time and frequently given notice to this interest, I was requested by the State Grange to head a movement looking toward rural electrification in North Carolina. I concluded that a survey of the State



was the first step in that direction and sought to enlist the interest of our State Emergency Relief Administration as well as the higher officials in the Washington office in a project for this purpose. I also enlisted and secured the interest of Colonel Joseph Hyde Pratt, an old friend of mine, and had him take the matter up with the CWA headquarters in Washington. A commission to study the problem of rural electrification in North Carolina was then appointed by me, headed by Dr. Clarence Poe, editor of the *Progressive Farmer* and one of the most liberal and social minded men in our State. To his wide knowledge of agricultural problems and social conditions the citizenship looks constantly for helpful suggestions in agricultural problems. On the commission with him were named by me several outstanding leaders in the State, familiar with and interested in rural life, and particularly in the improvement of rural conditions. Included among those are the president and former president of the State Grange, the head of our State Home Demonstration Agency and Clubs, Dr. Howard W. Odum of the University faculty, Professor Sheffield of State College, and others. This commission selected Mr. D. S. Weaver, a member of the faculty of the State College unit of the Greater University, to head this survey, and a project for its financing was presented to Mrs. O'Berry, our state director, who gave it her approval and fine sympathy and this project was finally approved in Washington.

The survey thus undertaken was started in 83 of the 100 counties, the 17 omitted counties being largely those in the very mountainous section of our State. It sought first of all to obtain pertinent data on all existing transmission lines and distributing lines located in any county outside the limits of any cities or towns, and then to secure enough data on all requested extensions to form the basis of a rough estimate of the cost of extension and the annual revenue that may be expected from each extension. Field work in 57 counties has been completed and the work in 10 more counties will be finished in the next two or three weeks, having been delayed by the lack of funds in the allotment.

There has been gathered to date data on approximately 690 proposed lines and this figure will probably reach 775 before completion, as requests for surveys are still coming in and both the commission and I are doing all we can to encourage each county and area to take advantage of this opportunity. The data gathered is being preserved by sketching all existing and proposed lines in a book of county maps and in this book also will

be included all pertinent data on existing as well as proposed lines.

It is thought that this survey will give an accurate picture of the feasibility of constructing rural electrification lines throughout North Carolina and thus bring to the people in these rural communities the privileges and advantages of cheap electrical service. It is thought also that it has already stimulated construction of new lines by the power companies and that it has awakened in them a realization of the fact that the rural people both desire and deserve more consideration in such matters. Manifestly, profitable extensions will be brought to the attention of existing power distributing agencies and communities covered by the commission in order to encourage such construction.

In addition, two tests or type extension enterprises have been undertaken in the counties of Orange and Hoke; Orange being in the center of the State and Hoke in the eastern section. The Hoke County project involved the construction of six miles of power lines and the Orange County project three and seven-tenths miles. Splendid results have been achieved in each of these rural lines built under the Civil Works Administration. They serve adequately the function of providing measuring rods in the general enterprise.

Knowing that at present you are studying and considering plans for future public works activities and work projects, I am impressed with the idea that the construction of these rural lines furnishes a fine field for such enterprise. And the provision of such extensions with their constant benefits to the communities and rural areas involved would, in my judgment, make an outstanding contribution to the program of social service and uplift which you are carrying on.

Permit me, my dear Mr. President, to assure you of my great sympathy and earnest desire to coöperate with you in every way in the great work which you are doing. The improvement of social conditions and the provision, as far as possible, of security for the average citizen, is a task which challenges the best that is in us and has fired the imagination of the people.

Any assistance that I can render through coöperation or otherwise is yours to command. The commission appointed by me to study unemployment insurance will soon also make its report and I am eagerly awaiting information as to your own plans on this subject.

Regreting that I was unable to see you personally at the time of the governors' conference with you in Warm Springs, and with kindest regards, I am,

Sincerely,

J. C. B. Ehringhaus,  
*Governor of North Carolina.*

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December 5, 1934

Honorable John B. Ehringhaus,  
*Governor of North Carolina,*  
*Raleigh, N. C.*

As FERA administration has discontinued funds for enlargement transient facilities in Florida and as present camps are filled to capacity and as there are no surplus jobs in Florida it becomes necessary to serve notice that no more transients will be accepted in Florida camps, and that those attempting to come to Florida without visible means of support will be turned back at the border or if successful in entering State will be arrested for vagrancy. Florida has more than eleven thousand in her transient camps at this time of which approximately nine thousand are from outside the State. Your coöperation in bringing this to the attention of your people will undoubtedly save much suffering and inconvenience and prove beneficial to the interests of both states.

Best wishes.

David Sholtz,  
*Governor of Florida.*

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The White House  
Washington  
December 14, 1934

My dear Governor:

I am very grateful for your letter of November twenty-eighth, with its information concerning development of rural electrification in North Carolina.

The data you gathered and projects undertaken there will be

very helpful to us in consideration of proposals for work programs, and also in relation to other matters concerned with the use of electric power.

I am glad to learn that your construction has gone forward.

Mr. Hopkins has discussed this with me, and he tells me that the experience in North Carolina is useful as a basis of similar activities in other states.

Very sincerely yours,

Franklin D. Roosevelt.

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Washington, D. C.  
December 24, 1934

Honorable J. C. B. Ehringhaus,  
*Governor of the State of North Carolina,*  
*Raleigh, North Carolina.*

My dear Governor Ehringhaus:

From time to time you have requested me to advise you of any development that may affect the potato industry.

It has been called to my attention today that the NRA has set a date to receive testimony for or against the price fixing feature of all codes. This date is January 9, 1935, and the place Washington, D. C.

At all of our potato meetings we have received resolutions from potato growers regarding fertilizer. These resolutions aim at the so-called contracting plans that dealers use in planting potatoes with growers, and secondly, at the price of fertilizers, particularly since there is a marked difference in the price charged for fertilizer in 1934 when compared with the price charged for fertilizer of similar formulas in 1933. The same price differential has occurred for packages or containers purchased by growers.

Since the hearing has been called by the NRA for price fixing testimony on all codes, and if the growers believe in the resolutions that they have passed, it appears to me that some agency in the various states may gather together such material as may be available to present at the above called hearing, which should be presented in the form of testimony. You all know the proper agencies in your respective states that could gather this material.

I trust I am not too bold in suggesting that the Consumers'



Council has made an investigation, and if the Agricultural Adjustment Administrator, Mr. Davis, is appealed to, he may permit that this material be available to those interested in the various states in this situation. Similar material may be obtained from the Federal Trade Commission, which is now also investigating these charges.

This is merely being passed on to you because of your several requests. If I can be of any further service, please call upon me.

Most respectfully yours,

A. E. Mercker,  
*Agent, U. S. Dept. Agriculture.*

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Commonwealth of Virginia  
Richmond, Va.  
January 30, 1935

Governor John C. B. Ehringhaus,  
*Raleigh, N. C.*

My dear Governor Ehringhaus:

Our pleasant association at the conference in Washington some months ago and the splendid success of the tobacco program move me to express my personal regard and deep appreciation of the leadership you gave this cause.

I feel strongly that the successful outcome of the movement is due in a large measure to your zealous and pioneer work and continuing interest. The tobacco farmers of our respective states are receiving benefits redounding to the welfare of the whole section, and I am sure your fidelity to their interest is receiving loyal support and unswerving confidence.

With highest regards,

Cordially yours,

George W. Koiner,  
*Commissioner of Agriculture.*

April 3, 1935

Mr. G. B. Phillips, *President,*  
*The North Carolina Educational Association,*  
*Raleigh, N. C.*

Dear Mr. Phillips :

I have read with interest your letter of March 15th. Let me assure you that I am always glad to have suggestions from you with reference to the educational situation or any other matter, and this includes your letter to which I am now addressing myself.

I feel sure that a fair consideration of my budget message as well as my biennial message to this General Assembly will acquit me of anything other than a sincere interest in the present educational situation and disclose, as well, my desire that we proceed as far and as fast on the road to recovery as our circumstances permit. The budget bill was presented upon the basis of existing levies and without entering new fields. The cost of additional appropriations by percentage was indicated in my message and the single point upon which I emphatically insisted was that the legislature match appropriations with the levy of dependable taxes. Repeatedly I have indicated that I am quite willing for the legislature to be as generous as it pleases provided only that it match its generosity with dependable tax provision. Our very recent experiments have shown that this is absolutely essential to adequate governmental functioning, and any departure from such a course would be destructive not only of the State's credit but of every governmental activity, including the schools. I regret that the failure of the press to carry the full text of my budget message has led many—and sometimes I have felt that you were included in this group—to a misunderstanding of my position. Unfortunately some of them not only failed to publish the full text, but placed their own interpretation upon my message, and have insistently voiced criticism on this basis since its delivery. A short conference with the superintendent of public instruction would convince you of the incorrectness of this assumption, or of any impression that I have endeavored to follow any other course.

It is true that in this message I ventured to suggest that though we had made substantial progress we were not yet out of the danger and distress which the depression had visited upon

us. I am sure that you will agree that this is quite true. I do not think that I am unduly sensitive to criticism, for in these hard times I have known that it was inevitable, and I think that upon consideration you will agree that I have been subjected rather frequently and furiously to some very unjust attacks. These attacks have not always, as you suggest, been impersonal in their nature. They have come in many cases from those who had least cause to make them and supposedly were among our best informed citizens. You suggest that the school forces recognize the forward step in education which has been made under my leadership. I am pleased to have you say this. Ofttimes I have been made to feel that quite the contrary was true. I am convinced, however, that no fair-minded person can consider the situation and study the past without coming to the conclusion that but for what I have done and endeavored to do, the great majority of the teachers of the State would have been on the list of the unemployed, if not on actual relief, certainly for a large part of the past two years. I am quite in sympathy with the desire to pay an adequate wage to them and I wish to go as far as financially possible in so doing. The reason for their decreased salaries, however, is largely due to loss of supplements and the blame for failure to vote supplements should be placed not on the State but on the communities themselves which have failed to vote them.

There are many things which I might say but which perhaps are just as well unsaid in this letter. It is sufficient to assure you of my concern for the welfare of the teachers, for as great an increase in salary as finances permit, and for as steady and constructive an advance along all lines of educational effort as the welfare of the Commonwealth dictates.

Yours very truly,

J. C. B. Ehringhaus.

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[TELEGRAM]

Raleigh, N. C.

June 1, 1935

Hon. Franklin D. Roosevelt,  
*President of the United States,*  
*Washington, D. C.*

In the crisis presented by Supreme Court decision on NRA may I not suggest for your study and consideration the legal pos-

sibility that while criminal prosecution for code violations is barred by this decision yet voluntary agreements accepting the codes might still be valid as contracts enforceable between the signatory parties through injunctive process and also subjecting violators to civil actions for damages flowing from a breach thereof. And when the government or a governmental agency is a party to the contract courts of equity would be open to the government also for injunctive assistance in compelling compliance. Doubtless this possibility has occurred to you and your advisers, yet I could not refrain from making certain through this telegraphic suggestion and expressing the hope that its possibilities may be carefully studied by your legal staff.

J. C. B. Ehringhaus,

*Governor of North Carolina.*

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August 2, 1935

Mr. Halsey B. Leavitt,  
*Asheville, N. C.*

Re: Interim Pay Fund - *Spanish  
American War Veterans*

Dear Sir:

This acknowledges copy of your letter<sup>1</sup> of July 31st to Honorable J. W. Winborne on the above subject. I am sure you will permit me to qualify one or two statements in this letter.

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<sup>1</sup>The Spanish-American War fund came through the Quarter Master's Department, Washington, D. C. When war was declared against Spain many of the North Carolina volunteers responded to the call before the President's proclamation reached Raleigh. The Quarter Master's Department would not pay these volunteers salaries or subsistence until they were actually mustered into service. Some time after the War a movement was started to procure this money for the soldiers. The legal firm of Glenn, Manly, and Herndon of Winston-Salem was employed which firm procured the services of Benjamin Carter, an attorney of Washington, D. C. In December, 1907 the attorneys after deducting their fees turned over to Governor R. B. Glenn the sum of \$3,152.38. From a letter, Benjamin Carter to Governor Glenn, December 23, 1907, I quote, "Herewith I send you complete statement for your distribution of moneys, out of our collections at the Treasury, due to the officers and soldiers of your First Regiment. This, you will observe, includes the amounts due the enlisted men in commutation of rations as well as the pay proper." Later the lists of the Second and Third Regiments were sent to Governor Glenn. The amount of money not immediately disbursed was placed in a bank on interest, and on May 1, 1939, the sum amounted to \$17,261.37. This money is not now drawing interest. During Governor Ehringhaus's administration the Attorney General ruled that the governor had no authority to disburse this money except to pay the claims of the soldiers as they were properly presented, and that whatever amount was left in the fund at the death of all the claimants the remainder would escheat to the University of North Carolina. This information was procured from W. F. Woody, Treasurer's Office, and records in the Treasurer's Office; *Public Laws of North Carolina, 1933*, Chpt. 554; and files in the Attorney General's Office.



Your reference to the original collection and disbursement of this fund and particularly to payment of a sum to a firm of lawyers has, of course, reference to an occurrence in a period of time long before I came to Raleigh and with which I had nothing whatsoever to do. I was not one of the lawyers, as you well know, and had no connection with this transaction. Any failure on the part of the previous governors or state authorities to mail checks at that time to the veterans certainly cannot be charged to me, as it happened years before my election and inauguration. Nor, I am sure, would you in fairness charge me with responsibility for failure to notify these veterans during the years that have intervened. Indeed, I did not even know of the existence of the fund until about the time of the legislation referred to, have never had a penny of it in my hands, and would probably not have known of it except for this legislation and request. Your organization is probably as well informed as any other source as to the names and addresses of these veterans, and if you can help us locate any of them I assure you it will be a pleasure for me to see that checks are mailed to them immediately and that these checks cover both the original amount and any interest earned. I have had nothing whatever to do with the making out of claims and have signed checks in such instances as have been presented exactly in accordance with the claim as presented to me.

Your reference to my expression of sympathy with your objects and desire is also noted. I can repeat those observations and assurances even now. And assuming absolutely your interpretation of our conversation does not in any way alter the correctness of the legal position in which I find myself without fault on my part. Even supposing I had assumed that the legislature had the power to do as you suggest and if, upon investigation it became manifest that no such legal power exists, I am sure as a good citizen and soldier you would not complain at me for following my oath to abide by and to support the Constitution even though it involved a change of my opinion and was against my personal wishes. I cannot follow you in your suggestion and your repeated observation that this position taken by me is "still unexplained," nor can I agree that my letter, from which you quote, gives no reason for my action. Indeed, it gives a reason perfectly sound in law and morals; namely, that "the General Assembly has no power to distribute this fund under law and if I should

turn it over I should be responsible for an accounting at a later date to any of the parties entitled to receive it." I cannot understand, therefore, your statement in the face of your quotation from my own letter that I have given no reason for my position. Let me assure you also that you are quite incorrect in your assumption that I have assumed a veto power over an act of the legislature. I am simply advised that the act, as sometimes happens, is contrary to the Constitution, and I am perfectly willing to abide by any decision of the courts on this question. Incidentally, I have seen no copy of any opinion by Mr. Brummitt that the act of the General Assembly was constitutional.

One thing more: you are quite in error in your suggestion that I am keeping this fund in order that it may escheat to the University. I should be only too glad to pay it out to the legal representatives of the veterans concerned, or under any decree of a court of competent jurisdiction. Indeed, the fund does the State no good, it certainly does me personally no service, and upon my own advice the University abandoned any effort to obtain it.

I refrain from commenting upon certain statements in your letter which reflect upon motive. I am sure that you are actuated by the highest motives in what you say and think about this. You must concede mine are equally sincere. I cannot be governed by the action of other governors acting under the Constitution which may be differently worded, or under the decisions of the courts of different character. I am sure you must concede that I must follow my oath in each instance, and if a long period of time has elapsed without action, may I not in fairness remind you that you and your associates also have failed to take action until 1933; and therefore certainly I, who was not in office, should not be held to a greater accountability.

I should be only too happy to talk to you or any representatives of the veterans about this matter at any time, and if ways and means within the law and under the Constitution may be found to pay out this money it would be a happy relief.

Yours very truly,

J. C. B. Ehringhaus.

The Governor's Office  
October 25, 1935

Hon. Luther Hodges  
Spray, N. C.

My dear Luther:

I have before me your letter of resignation as a member of the State Highway and Public Works Commission. In view of the fact that you expressed to me some time ago your desire to resign on account of the press of your personal work yet yielded to my insistence that you stay with us as long as possible, and in view of the fact also that I know that recently you have had additional burdens placed upon you, I cannot refuse your request to be presently relieved.

In accepting your resignation, however, I must tell you again how much I regret that the demands upon your time have made this step imperative and how much I appreciate the fine service which you have rendered to the State and to this administration. At great personal sacrifice you have labored in fine conscience and intelligence and have brought to your service upon the commission a spirit and a capacity that has been an inspiration as well as a help to all of us. I shall cherish always the recollection and your State and section will more and more appreciate the results of your service and sacrifice.

In gratitude and affection, and with best wishes for your success at all times,

Sincerely,

J. C. B. Ehringhaus.

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Brown Mills-In-The-Pines, N. J.  
October 25, 1935

Honorable John C. Ehringhaus,  
*Raleigh, North Carolina.*

My dear Governor:

I have heard very good reports of your economy program in the state of North Carolina. Several weeks ago, I wrote to your secretary of state asking for any information that he might be able to give me; but, to date, I have not heard from him.

I was just talking with one of my constituents, Mr. Lester Collins of Moorestown, New Jersey, who is the president of the Philadelphia Society for Promoting Agriculture. He heard you speak in Charleston, South Carolina, on January 14, and was much impressed with your program. We are trying to carry out a program of economy in New Jersey. I shall appreciate it very much if you will give me the plan you used to effect economies in your State.

If you should happen to be up north, I would be very glad to have you visit and address the assembly.

Very truly yours,

Marcus W. Newcomb, M.D., *Speaker*  
*House of Assembly of New Jersey.*

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January 27, 1936

Dr. Marcus W. Newcomb,  
*Browns Mills-In-The-Pines, N. J.*

My dear Mr. Speaker:

I appreciate very much your letter of the 26th and its inquiry with reference to our program in North Carolina. In spite of your courtesy I have no intention of inflicting upon you a very lengthy review. Perhaps it is proper that I should say by way of preliminary that this administration came into office at perhaps the most difficult time in the history of the State and Nation, *viz.*: in January 1933. At this time North Carolina owed the second highest funded debt of any state in the Union; this debt was approaching its peak maturities; our spending was exceeding income at the rate of approximately seven and a half millions a year; we had accumulated a deficit—covered largely by temporary or short-term borrowing at 6 per cent; our bonds, though we had not defaulted, were selling at 65 to 70 and our short-term notes were being called by the banks which held them; our revenues—even highway revenues—were shrinking under the influence of the depression; our schools, largely dependent upon property taxes locally imposed, were about to close in many areas and particularly in the rural areas; our counties, cities and towns, dependent upon property taxes, had accumulated tremendous defaults in their bonded indebtedness; and



generally speaking, the full force of the depression was upon us, affecting not only the credit of our State, the stability and efficiency of governmental service, but the morale of our people.

Our first step was to cut expenses through reduction in legislative appropriations 32.13 per cent. In addition to this, during the biennium which followed and under the executive budget control, this administration was able to effectuate an additional saving of a million and a half in general fund spendings; we reorganized our Revenue Department and picked up more than a million in past due license taxes, besides greatly increasing the efficiency and percentage of general collections; we reorganized and consolidated the prison and highway departments, and by putting our prisoners to work on the highways made the prison self-supporting for the first time in a generation, and saved the State in this way some \$275,000 to \$300,000 a year; we took over as a state enterprise the schools of the State for an eight months term, paid for out of general fund revenues without taxes upon land, in this way the full eight months term was guarantied to the rural as well as the urban children—in fact, to every child in the Commonwealth, and our State, I believe, was the only state in which no schools closed down during the entire period of the depression and particularly during the terrible year of 1933; while teachers' salaries were reduced, they were in each and every instance paid promptly and in cash; the local units were left permission to supplement the standard state program by voting additional taxes on this if they so desired for lengthened term, broadened curriculum, or additional salaries; the taking over of schools as a State rather than a local proposition relieved property throughout the State of 33⅓ per cent of its burden and accomplished a reduction amounting to about an average of 35 cents on the \$100.00 throughout the State, so that today the State levies no tax on property and the per capita total of local taxes on real estate is the lowest of any state in the Union. This relief to property greatly helped the local units and enabled them to make better collections of taxes, to realize on back taxes, and assist themselves in their fiscal plights. Indeed, in the years since January 1933 they have reduced their indebtedness by many millions and the default situation in governmental sub-divisions is now being clarified. Since this administration began we have met every payment on our state obligations, we have abandoned absolutely the practice of even temporary borrowings, which had been followed here as

elsewhere for years; we have not borrowed a penny since January 1933; we have refunded our short-term notes in a bond issue at the lowest interest rate in the history of the State, averaging less than 3 per cent; have saved us in interest through the lifetime of the bonds several million dollars; have maintained at all times a balanced budget; have paid on our state debts a sum sufficient to average a million and a quarter for each and every month of this administration and reduced the principal sum sufficient to average a half million dollar for each month of this administration; have maintained in efficiency every governmental service and altogether developed a fiscal situation so sound that our bonds today are selling at \$1.12 to \$1.15.

By reason of improved conditions, at the mid-term session in 1935 we were able to adopt a 20 per cent increase in salaries for the first year of this biennium and there will be an additional 5 per cent next year; we have maintained the greatest school transportation enterprise in the Nation at state expense, transporting to and from school daily over 275,000 children in the rural districts, which represents more than one-seventh of all transported in the United States; have set up a system of school book rentals which will effectuate a considerable saving to the parents and children in the schools, and have improved generally our services and activities.

In addition to the economies practiced and in order to insure at all times a balanced budget, the legislature of 1933 levied a general sales tax of three per cent, which was somewhat broadened by the legislature of 1935. This and the economies above mentioned have insured a balanced budget at all times.

I venture to enclose herewith copies of my inaugural address, which was my first message to the General Assembly of 1933, my message to the General Assembly on March 13, 1933, and my biennial message to the General Assembly of 1935. Of the twenty odd specific recommendations made in the message of 1935 all but two or three were enacted.

I trust that these messages in connection with this letter will give you the information you desire. Let me thank you for the invitation to address your General Assembly. I do not know just when your legislature meets. If I should be in your territory I would be happy to be with you.

With kind regards,

Yours very truly,  
J. C. B. Ehringhaus.

February 4th, 1936

Major A. L. Fletcher,  
*Commissioner of Labor,*  
*Raleigh, N. C.*

Dear Major Fletcher:

In looking over one of your recent departmental bulletins I have been much impressed with the statistical statement of certificates issued to children under sixteen years of age for regular employment during the years 1929, 1932 and 1935, and its story of progress in the effort to eliminate child labor. From this bulletin I observe that the total of certificates issued was 6,410 in 1929, 1,038 in 1932, and 276 in 1935, of which totals certificates issued for factory employment were 5,550 in 1929, 944 in 1932, and 106 in 1935.

It is manifest, therefore, that our record of such employment in manufacturing enterprises is very close to the perfect score, and it is not surprising that this record received the commendation of Miss Katherine Lenroot, director of the Children's Bureau of the Department of Labor, as reported in the press of January 31st, as an outstanding achievement.

As you know, I have been greatly interested in this subject. The textile industry was the first to adopt a code under the NRA, and you will remember my appeal to it to lead the way in the code adoption enterprise. You will recall also that upon the collapse of the NRA I issued another appeal to the industry in North Carolina to continue to maintain NRA standards affecting hours and conditions of labor and child employment and hold the advance which we had made in these directions. Your bulletin figures show that there has been a splendid response by North Carolina manufacturers to this appeal, and I not only feel a deep personal gratification in this but take pride in the coöperation of our industrial leaders and your own departmental activities which have contributed towards this happy result.

But I am anxious that our State's record, which is so near perfect, be brought immediately to the point of complete elimination, and I am writing to express the hope that you will immediately take steps to appeal to our North Carolina factories and their leadership to make immediate and vigorous effort along the lines which you are sponsoring, to the end that we may wipe the slate clean and bring about at once the complete

elimination from employment in the hazards of manufacturing activities in North Carolina of all children under sixteen. The figure 106 is so small as to be inconsiderable, and I do hope that we will be able to clear this out immediately and give to our State the record of perfect coöperation which it now so nearly approaches.

I thank you for your past coöperation, assure you of my interest in these efforts, and wish for this particular enterprise an early success.

Sincerely yours,

J. C. B. Ehringhaus.

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Washington, D. C.  
February 10, 1936

Hon. J. C. B. Ehringhaus,  
*Governor of State of North Carolina,*  
*Raleigh, N. C.*

My dear Governor:

Last week a committee from the legislature of Virginia came to Washington to make inquiries concerning the establishment of a compact between the tobacco growing states in order that they might control the production of this type of tobacco and secure fair prices for the farmer. This committee is coming back to Washington, Thursday, February thirteenth, and will hold their meeting in my committee room, at which time the Department of Agriculture will have representatives, with a view to perfecting a plan for similar statutes to be passed by the states which come into this compact.

If you can do so, I should suggest that you send a member of the North Carolina legislature who would be interested in this law and have him present at this meeting. I am satisfied that we can take care of our flue-cured tobacco industry through a compact of those states that grow this type of tobacco.

With assurance of my high regards and best wishes, I am

Sincerely and cordially,

John H. Kerr, *M. C.*



[TELEGRAM]

Raleigh, N. C.  
February 12, 1936

Honorable John H. Kerr,  
*House of Representatives,*  
*Washington, D. C.*

Answering your letter February Tenth. I am unable in the brief time between its receipt and tomorrow to confer with legislative members and determine their attitude toward compact legislation. I am suggesting over telephone to our mutual friend Will Fenner that he contact you and if possible attend your conference. I shall be happy to receive and give consideration to reports from your gathering before making any decision on this question. With kind regards.

J. C. B. Ehringhaus.

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[TELEGRAM]

Raleigh, N. C.  
February 13, 1936

Hon. Chester C. Davis,  
*Agricultural Department,*  
*Washington, D. C.*

Am alarmed at reports reaching me and hasten to beg earnestly that in developing new agricultural program potatoes shall not be overlooked nor potato growers continue to be the forgotten men of agriculture.

J. C. B. Ehringhaus, *Governor.*

United States Department of Agriculture,  
Agricultural Adjustment Administration  
Washington, D. C.

February 19, 1936

Hon. J. C. B. Ehringhaus,  
*Governor of North Carolina,*  
*Raleigh, North Carolina.*

Dear Governor Ehringhaus:

This is in reply to your telegram of February 13 urging that potatoes not be overlooked in the development of a new agricultural program.

We appreciate your interest in this question and assure you that every effort will be made to develop a constructive program for potato growers upon such a basis as may be provided. Our study of the potato situation and work with potato growers and others in the industry have brought out clearly the need for a program which will help potato growers to plan their farming operations and the marketing of their crops in such manner as will tend to assure them of a fair return for the use of their land and other resources.

Very truly yours,

Chester C. Davis,  
*Administrator.*

[TELEGRAM]

March 4, 1936

Hon. Josiah W. Bailey, *United States Senate, Washington, D. C.*  
 Hon. Lindsay C. Warren, *House of Representatives, Washington, D. C.*  
 Hon. Harold D. Cooley, *House of Representatives, Washington, D. C.*  
 Hon. John H. Kerr, *House of Representatives, Washington, D. C.*  
 Hon. Graham A. Barden, *House of Representatives, Washington, D. C.*  
 Hon. J. Bayard Clark, *House of Representatives, Washington, D. C.*  
 Hon. F. W. Hancock, Jr., *House of Representatives, Washington, D. C.*  
 Hon. W. B. Umstead, *House of Representatives, Washington, D. C.*

Regarding yesterday's Washington conference about tobacco. Reported here that it was consensus of opinion of the conference that compact authorizing legislation was impossible at this Congress or in time to control this year's crop and that adoption of state compacts controlling this year's crop must be abandoned. Will you please advise me immediately as to this and also first has bill authorizing compacts yet been prepared by agricultural department, second has bill approved by department been introduced, third will department support the bill in Congress and urge passage this session, and fourth what in your opinion is probability of passage this session?

J. C. B. Ehringhaus.

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[TELEGRAM]

March 13, 1936

Honorable Franklin D. Roosevelt,  
*President of the United States,*  
*Washington, D. C.*

My excuse for making this appeal directly to you is the desperate and tragic plight of the tobacco growers in the flue-cured belt who face at this moment the greatest peril of years. I am

heartened to so do by the recollection of your response and assistance in another year. As a result of the collapse of the AAA plus a most unfortunate mistake by the Department of Agriculture with respect to last year's crop they find themselves confronted with an uncontrolled planting at a time when inventories of stocks on hand are at the highest figure on record instead of reduced as originally planned. Though they earnestly begged the department last year not to authorize the increase in acreage announced, the department persisted in so doing. Their warning then sounded that such authorization would produce an eight hundred million pound crop instead of the seven hundred fifteen predicted by the department has been more than realized by present estimates of eight hundred two million pounds. Even this staggering figure may be increased by final corrections. This protested authorization plus changes in rulings during the marketing season has resulted in the present all-time record of stocks on hand which hangs over this year's prospects like a cloud. If Southern farmers, particularly tobacco and cotton farmers, are to benefit by the recently adopted soil conservation measure then sufficient funds must be allocated for these crops to induce growers to shift to soil conserving crops. Fifty millions should be allocated to tobacco. Certainly not less than forty for this is but the practical equivalent of four cents a pound upon the basis of a billion pounds for all types and anything less than this figure would furnish insufficient inducement for a change to soil conserving crops. By an immediate announcement of allotment in such sum a real soil conservation program in the tobacco areas could be inaugurated with resultant relief to flue-cured and other growers. Anything less promises scant results and scant benefit to tobacco sections of the South. I earnestly beg that you come once more to the rescue of the tobacco section by using your discretionary powers and directing an allocation of fifty millions for tobacco areas. I suggest that the mistake of the department in excessive allotments last year resulting in tremendous increase of stocks on hand as well as the tremendous contribution which tobacco makes each year to the Federal treasury and to the financing of this particular enterprise justifies this consideration for this area and those who till it. Anything less would, I fear, result but in keeping the promise to the ear and breaking it to the heart. Immediate action is necessary as planting will begin in Georgia around



April first and an immediate announcement is needed to affect this year's planting. In hope and admiration I am,

Sincerely,

J. C. B. Ehringhaus.

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[TELEGRAM]

March 14, 1936

To the Governors and Commissioners of Agriculture of the States of Virginia, South Carolina, Georgia, Florida, Tennessee, West Virginia, Kentucky, and Maryland:

Have wired the President as follows:

My excuse for making this appeal directly to you is the desperate and tragic plight of the tobacco growers in the flue-cured belt who face at this moment the greatest peril of years. I am heartened to so do by the recollection of your response and assistance in another year. As a result of the collapse of the AAA plus a most unfortunate mistake by the Department of Agriculture with respect to last year's crop they find themselves confronted with an uncontrolled planting at a time when inventories of stocks on hand are at the highest figure on record instead of reduced as originally planned. Though they earnestly begged the department last year not to authorize the increase in acreage announced, the department persisted in so doing. Their warning then sounded that such authorization would produce an eight hundred million pound crop instead of the seven hundred fifteen predicted by the department has been more than realized by present estimates of eight hundred two million pounds. Even this staggering figure may be increased by final corrections. This protested authorization plus changes in rulings during the marketing season has resulted in the present all-time record of stocks on hand which hangs over this year's prospects like a cloud. If Southern farmers, particularly tobacco and cotton farmers, are to benefit by the recently adopted soil conservation measure then sufficient funds must be allocated for these crops to induce growers to shift to soil conserving crops. Fifty millions should be allocated to tobacco. Certainly not less than forty for this is but the practical equivalent of four cents a pound the basis of a billion pounds for all types and anything less than this figure would furnish insufficient inducement for a change to soil conserving crops. By an immediate announcement of allotment in such sum a real soil conservation program in the tobacco areas could be inaugurated with resultant relief to flue-cured and other growers. Anything less promises scant results and scant benefit to tobacco sections of the South. I earnestly beg that you come once more to the rescue of the tobacco section by using your discretionary powers and directing an allocation of fifty millions for tobacco areas. I suggest that the mistake of the department in excessive allotments last year resulting in tremendous increase of stocks on hand as well as the tremen-

dous contribution which tobacco makes each year to the Federal treasury and to the financing of this particular enterprise justifies this consideration for this area and those who till it. Anything less would, I fear, result but in keeping the promise to the ear and breaking it to the heart. Immediate action is necessary as planting will begin in Georgia around April first and an immediate announcement is needed to affect this year's planting.

Sincerely hope you will give vigorous support to the plea which means so much not only to the flue-cured but all other tobacco sections. Suggest that you urge your senators and congressmen to give it hearty support. Imperative that immediate consideration be given before planting begins in flue-cured belt. Tobacco area has paid and will largely pay taxes to support government and this conservation activity. Now while new program of taxes is being considered is time for voicing our views and request as well as protecting areas against despair and destruction. We should immediately follow this plea with a sign-up program among the farmers. Please wire me your views and reaction to this suggestion.

J. C. B. Ehringhaus, *Governor.*

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Elizabeth City, N. C.  
March 21, 1936

Hon. J. C. B. Ehringhaus,  
*Raleigh, N. C.*

Dear Governor Ehringhaus:

During the past eighteen months I have been very much interested in a potato starch factory that is being operated at Laurel, Mississippi, for the purpose of providing a market for cull and low-priced potatoes.

A similar operation in the Albemarle section would be a wonderful asset and probably a life saver for this section.

I have noticed with much interest your recent activities regarding the assistance you are rendering the tobacco farmers, and it occurred to me that you might be interested in rendering a similar assistance to our potato farmers by suggesting a starch plant and showing them the way to establish it through some of the government coöperative plans.

I have a great deal of information regarding a starch plant in my files, and shall indeed be pleased for you to use it. In fact

I am so much interested in this matter that I shall be glad to go to Raleigh to discuss it with you if you decide it is worthwhile.

Hoping to hear from you real soon, and with kindest regards, I am,

Yours very truly,

G. W. Bell,  
*Assistant Vice President*  
*First & Citizens National Bank.*

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March 24th, 1936

Mr. Graham W. Bell,  
*Assistant Vice President,*  
*First & Citizens National Bank,*  
*Elizabeth City, N. C.*

Dear Graham:

I am much interested in your letter of the 21st regarding the possibility of potato starch factory located in our territory as a means of assisting our potato growers.

I shall be glad to bring this matter to the attention of the WPA and hope that you will follow up your suggestion of appropriation through the district supervisor, Mr. Askew. They control such expenditures entirely, but I will be pleased to give it every possible endorsement and support.

With kind regards, I am

Sincerely yours,

J. C. B. Ehringhaus, *Governor.*

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[TELEGRAM]

April 18th, 1936

Mr. J. E. Winslow, *Chairman,*  
*Pitt County Farm Bureau,*  
*Greenville, N. C.*

I will be delighted to meet with the tobacco growers here on Tuesday and sincerely hope and invite representatives from

every county and section interested to be present when I shall have opportunity and propose to acquaint them fully with the facts in the present situation.

J. C. B. Ehringhaus.

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April 20, 1936

Mr. Claude S. Ramsey,  
*Asheville Citizen-Times,*  
*Asheville, N. C.*

My dear Ramsey:

I am most grateful to you for your letter of the 18th, for the report of the speech, and for the clippings of it, and the editorial comments, all of which are indeed satisfactory. I am delighted to hear of the fine response which you report and it simply confirms my opinion that if the people know the facts they will judge fairly.

There is one mistake in the news report of the speech, however, which I think is important: the report quotes me as saying that during my term we had reduced the state debt one and a quarter million dollars. My statement was that we have paid on the debt at the rate of one and a quarter million dollars per month for each month of this administration and we will keep up that average to the end. Of course, this covers both principal and interest, but for your information it means reduction in principal alone of approximately one-half million dollars for each month of the administration, or twenty-four million dollars for the entire term.

I am most grateful to you and all others for the fine courtesies shown me and I am particularly happy in that the Merchants Association gave me this opportunity and received me so well.

With kind regards and hoping to see you soon,

Yours very truly,

J. C. B. Ehringhaus.



May 6, 1936

Hon. J. C. B. Ehringhaus, *Governor*  
*Governor's Office, State House,*  
*Raleigh, N. C.*

My dear Governor Ehringhaus:

In response to your suggestion that this board request from the secretary of the treasury an opinion as to whether or not the word "required" in the definition of the term "contributions" in section 907 (f) of title IX of the Social Security Act means or may be construed to mean "required as a condition precedent to a particular employer's employees receiving unemployment compensation," we addressed such an inquiry to the secretary of the treasury some time ago. Recently, we received a reply to that inquiry which indicates that in the opinion of the treasury such a construction of that word is untenable.

The opinion of the secretary of the treasury states that credit against the excise tax imposed by title IX of the Social Security Act may be allowed only for payments to a state unemployment fund which are made up by an employer who is unqualifiedly subject to a state law and is compelled by that law to pay contributions at such times and in such manner as may be prescribed. It follows that under title IX of the Social Security act, credits will not be allowed for payments not required by law but required as a condition precedent to a particular employer's employees' receiving unemployment compensation.

I regret the delay which has occurred in securing this opinion from the secretary of the treasury and trust that such delay has not caused you any inconvenience.

Sincerely,

John G. Winant, *Chairman.*

63 Hanover Avenue  
Morris Plains, N. J.  
September 10, 1936

His Excellency, Governor J. C. B. Ehringhaus,  
Commissioner of Paroles Edwin Gill,  
*Executive Chamber,*  
*Raleigh, N. C.*

Gentlemen:

Four years ago on the eighth of this month, I was bound to you by a debt that I can only repay by respecting your confidence in me and sticking closely to the straight and narrow path. It was then that you virtually brought me back from the grave, for I was on the verge of death when your timely commutation saved me. Since that time that debt has been steadily growing, until it has now taken on unforgettable proportions. Then, as an appreciated climax, you sent me a pardon which I received on the fourth anniversary of my commutation. For this, and for the other favors, I should like to offer my humble thanks and to assure you that my gratitude is sincere.

Through a press service, North Carolina papers quoted me as saying that there was no justice in North Carolina. You will see, however, that it is because of North Carolina justice that I was finally released, and I am grateful for that fact. I have no reason to hold malice toward North Carolina for I have felt that the majority of the people have been behind me all the time, and that most of the minority that opposed me did so merely because they were ignorant of the true facts. The main evidence against me was supplied by convicts, who certainly couldn't be called representative of the State. Therefore it would have been foolish indeed of me to attack North Carolina justice, and it was only due to a misunderstanding that I appeared to do so.

During the four years since my commutation I have looked to you for guidance and advice, and I have done my best to follow it. I hope that I shall be able to still come to you for this guidance even though I am no longer bound legally to do so.

With eternal gratitude, and undying appreciation, I remain,

Gus Colon Langley.

CCL/GCL

October 15, 1936

To the Young Democrats of North Carolina:

In past campaigns your organization has rendered a splendid support to the cause of democracy, both State and National. In the present campaign both our cause and our candidates make unusual appeals and challenge the best of your efforts. Indications of a record victory in both State and Nation increase daily, and I am sending you this last message in the present campaign by way of urging that you redouble your efforts to convert the impending Democratic victory into a Republican rout. The young democracy of North Carolina has never failed to respond to my request and I know that I can count upon it again.

In confidence and appreciation, I am

Sincerely,

J. C. B. Ehringhaus.

October 16, 1936

Dr. Clarence Poe,  
*Raleigh, N. C.*

Dear Dr. Poe:

Complying with your request, I am glad to write you<sup>1</sup> briefly something of my reasons for favoring the adoption of each and all of the five Constitutional amendments soon to be voted upon.

I heartily favor the adoption of each of the proposed amendments, constituting, as I think they do, the basis of a substantial advance in our taxing policies and the achievement of a balanced and equitable system of taxation in North Carolina.

Concerning some of these amendments there seems little or no dispute. Two of them, however, have apparently excited some debate. The first of these is the one permitting classification and the second one permitting exemption of homesteads to an amount not exceeding \$1,000.

The experience of every state in taxing intangibles has shown that only through classification can anything like a fair realization upon this source of tax revenue be made.

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<sup>1</sup>Extracts from letter to Dr. Clarence Poe, chairman of Committee for tax reform amendments. In this letter the governor gave his views on the several constitutional amendments which came before the people in the election on November 3, 1936.

As to the second, or exemption amendment, it accords with what I have long advocated. I cannot better express my views than by quoting from my personal platform issued at the time of announcement for Democratic nominee for governor of North Carolina. In this I read as follows:

The owner of a great estate, the holder of land for investment or speculation are each and all entitled to fair treatment, of course, but my sympathies are challenged particularly by the small farmer and homeowner. Accordingly, in his belief I propose an amendment to our Constitution which will give to the legislature the right to classify for such favorable consideration as it may determine, owner-operated farms of small areas—say 25 or 50 acres—and owner-occupied homes to the extent, say, of the homestead value, with a proviso to prevent duplications in the same occupying homestead. Such an amendment . . . would afford relief where most needed, diminish farm tenancy, encourage home ownership, help create a market for real estate and check a tendency towards concentration which all history has proven dangerous.

I sincerely hope that each and all these amendments will be adopted and I sincerely believe that their adoption will lay the groundwork for a real advance in the direction of equitable taxation and social advance.

With kind regards,

J. C. B. Ehringhaus

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[TELEGRAM]

November 11, 1936

Governor Cary A. Hardee,  
*Secretary of the Governor's Conference,*  
*St. Louis, Missouri.*

Regret that last minute developments have made it imperative that I remain here for consideration of unforeseen but pressing matters of State. Had counted upon the pleasure of gathering with you as well as participation in the discussion but developments make this impossible. It was my intention in my place on the program to project a discussion by the conference of the possibilities of promoting sympathetic and coöperative consideration by the state and Federal governments of matters in which both are vitally interested. Particularly I desired to stress



the necessity for coöperative consideration, first, of the problem of overlapping taxation and the necessity for a segregation of fields if possible; second, the problem presented by the various dollar matching enterprises favored by the Federal government in the light of the state's more limited field of tax and credit possibilities; and, third, the problem of eliminating antagonisms between state and subordinate Federal officials and the promotion of facilities which would insure a minimum of friction and a maximum of sympathetic coöperation in working out mutual and commonly enterprised undertakings. Without criticism of any but solely in an effort to promote that sympathetic coöperation which the governor's conference has more than once resolved to follow I desired very sketchily to present these suggestions and elicit informal discussion and consideration of them in the hope that we might evolve something of worth-while information and constructive effort.

With kindest regards to the membership and best wishes to you, and again voicing my regrets that circumstances have at the last minute intervened to prevent my being with you, I am,

Sincerely,

J. C. B. Ehringhaus.

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November 16, 1936

Honorable Stacey W. Wade,  
*Raleigh, North Carolina.*

Dear Stacey:

I am just in receipt of your letter tendering your resignation as secretary of state of North Carolina and requesting its immediate acceptance.

For some time I have been anticipating this action on your part, and while I rejoice in the fact that your new appointment brings to the Federal public service your fine talents and capacity I regret that it necessitates your severance of relation with the state government.

For your generous compliments to me and expressions of personal regard, I am particularly grateful and can only assure you that I have had the same pleasure in serving with you that

you give voice to with reference to your service with me. My high regard for you and my affectionate concern for your future happiness and success will cause me to follow always your career with friendly concern. I am sure that in your new field of activity you will give fine service to the government and you may be certain that at all times you have my respect and appreciation and good wishes.

Sincerely,

J. C. B. Ehringhaus.

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November 24, 1936

Governor John C. B. Ehringhaus,  
*State of North Carolina,*  
*Raleigh, N. C.*

My dear Governor:

Confirming my conversation of some time ago, I wish to tender to you my formal resignation as director of the Division of Purchase and Contract to become effective as soon as can be conveniently arranged.

Although my new connection with Duke University, with which you are entirely familiar, offers opportunities that have for me a very great personal appeal, I cannot break the ties and associations of the past five years without a keen sense of loss.

To you, as governor of North Carolina, I wish to express my pleasure and satisfaction for having had the opportunity to serve the State as a part of your administration and assist in the many very fine things that have resulted from your efforts.

To you personally, I wish to reaffirm my very high regard and admiration for a friend and chief, whom always I have found courteous, fair, fearlessly honest, and in his every thought and act unselfishly devoted to the welfare of North Carolina.

Though my official connection will be ended, I shall lose none of my deep interest in the progress of the State, and to you and your successors, I wish to express the hope that I may be called on if ever I may be of assistance.

Sincerely yours,

A. S. Brower.

January 2, 1937

Honorable Capus M. Waynick,  
*Highway and Public Works Department,*  
*Raleigh, N. C.*

My dear Mr. Chairman:

*In Re: Agricultural Lime Deposits*

As a final memoranda on the above subject let me bother you with this brief letter. You will recall that in the General Assembly of 1933, over the steadfast and vigorous opposition of the representatives of the lime trust, I sponsored and advocated the adoption of the amendment to the highway act permitting the Highway Department to acquire limestone areas in North Carolina and produce from them agricultural lime to be sold to the farmers of North Carolina at the lowest possible prices. Pursuant to this policy legislatively authorized, you will recall that we have acquired two areas highly valued by state geologists: a small one in Surry County and a large one in McDowell. It is my understanding that the one in McDowell is capable of yielding annually for an indefinite period 300,000 tons of the finest quality of agricultural lime.

It is of course obvious that this material is to some extent usable in highway construction and waste material might and should be utilized for this purpose. However, as you know, my primary purpose and the purpose of the General Assembly in authorizing these purchases was to secure not building material but lime—cheap lime—for the benefit of the farmers of North Carolina. My information is that some additional expenditures may be required for an adequate working of the McDowell property, which constitutes a veritable mountain of lime. The comparatively small expenditures necessary for this purpose I cheerfully authorize in the knowledge that I am doing something for North Carolina agriculturally, and the assistant director of the budget will be glad to confer with you along this line and set aside \$100,000 which should be more than sufficient for this purpose.

My information is that this lime is now being sold in small quantities to the farmers of McDowell at 80 cents per ton at the plant, but that in proper development we should be able to deliver at 50 cents a ton. With proper adjustment of freight rates, which should be easily obtained with the assistance of the Utili-

ties Commission, agricultural lime can be made available to the farmers of North Carolina at a price which should at least double the use of lime in North Carolina.

Even under present conditions the farmers of Piedmont and Western North Carolina should be able to secure this lime at \$2.50 a ton, as compared with present cost at \$5.00 to \$8.00 a ton. With proper adjustments in freight rates it would seem possible to put this lime in the hands of the farmers at approximately \$1.50 a ton. It is estimated that some 200,000 tons of lime are now used each year in North Carolina and a doubling of this amount would, in my judgment, make a contribution to the upbuilding of North Carolina agriculturally that is beyond our power to estimate in dollars and cents. My last suggestion to you, therefore, is that you and your commission confer with the Utilities Commission, the Agricultural Department, the State College authorities, the head of our vocational educational activity, and any others you think proper and formulate plans for facilitating the distribution of this product and making it more readily available; that steps be taken then to advertise its availability to the farmers, and that the plan which we have discussed looking towards the building up of North Carolina through a greatly increased use of lime be pushed as vigorously as possible.

Frankly, I regard this as one of the outstanding achievements of this administration in that it affords an opportunity for cheap and valuable lime with its great consequent benefits.

Appreciating your coöperation in the future and wishing you well in this enterprise, I am,

Yours very truly,

J. C. B. Ehringhaus.

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[TELEGRAM]

Honorable Franklin D. Roosevelt,  
*President,*  
*Washington, D. C.*

May I not entreat your personal attention to plight of flue-cured tobacco growers. Their situation, for which you have expressed sympathy in answer to my former communications, has grown desperate. Starvation prices brought about marketing holiday. Appeal to Agricultural Department resulted in request



for crop reduction contracts, which were signed enthusiastically and almost unanimously. For these government agents promised parity prices or the exercise of every governmental power to obtain them. Hearing on government proposed marketing agreements held over week ago. Spokesmen for domestic manufacturers at this hearing protested their desire to pay parity prices but yet prices offered on reopened markets are pitifully low. Fulfillment of government promise of parity means easy success in other government activities on this line. Failure involves tremendous loss of confidence in government, admission of its inability to cope with great tobacco interests, utter collapse of whole agricultural relief program, destitution and other dangers. While representatives of buyers and manufacturers haggle over details of agreement, prices continue to slump, their agents continue to acquire more and more of the crop at these prices, and unrest, distrust and indignation increase. Continued hesitancy and inaction is increasingly demoralizing. Immediate action of some kind necessary.

I beg you with all the earnestness at my command to intervene personally in this situation and insist upon immediate action and the accomplishment of parity in order to avoid results which it is difficult to forecast, as well as accomplish something of equity for a terribly distressed people. The situation challenges the power of the National government. Our people have every confidence in you, and as their spokesman I am making this appeal to you direct because of the extreme importance of the situation and the possibilities involved. Immediate action is imperative. The growers feel that the government promised parity in return for reduction contracts, and unless parity is achieved the administration will suffer a terrific loss in prestige in a territory where it has most friends. Forgive but do not underestimate the earnestness, the sincerity, and the imperativeness of this appeal. I will be glad to come to Washington again personally if and when you think it advisable, or to render any other assistance in the situation.

J. C. B. Ehringhaus, *Governor.*

## MISCELLANEOUS ITEMS



# PLEDGES FAITH IN LEADERSHIP OF GOVERNOR

MARCH 6, 1933

## RESOLUTION

Believing that the need for patriotism is as urgent today as it was in 1917-18; believing that our Nation needs a re-awakened spirit of unity and confidence; that our people need a re-inspired willingness to follow the leadership of our duly selected chieftains; and that all patriotic citizens should offer themselves and their resources to unselfish and vigorous action in the present crisis; having full confidence in the fundamental soundness of our Nation and the personal courage of all our people; having assurance that our chosen leaders will call for immediate action on wise policies and measures seeking to restore spiritual and economic stability and balance;

Therefore, The American Legion, Department of North Carolina, in annual post officers conference assembled in Wilson, N. C., this the sixth day of March, 1933, do hereby pledge to Franklin D. Roosevelt, President of our United States, and to John C. B. Ehringhaus, governor of our State, the full measure of our faith in their leadership and the full strength of our membership, in their battle for the restoration of civic courage, social and financial stability.

This is to certify the above resolution was unanimously adopted at the annual post officers conference, the American Legion, Department of North Carolina, Wilson, N. C., March 6, 1933.

Bryce P. Beard,

*Department Commander.*

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## STATE HIGHWAY AND PUBLIC WORKS COMMISSION ORGANIZED

JULY 10, 1933

### *Executive Order No. 2*

Pursuant to the provisions of section 9 of chapter 172 of the *Public Laws 1933*, being an act to amend chapter 2, *Public Laws 1921*, and all acts amendatory thereof and additional thereto,



and chapter 130 of the *Consolidated Statutes* and all acts amendatory thereof and additional thereto, and to provide for the consolidation of the State Prison Department and State Highway Commission into a single department to be known as State Highway and Public Works Commission, the said commission appointed by me under the terms of this act having been appointed and having this date qualified, pursuant to law, and organized, and the newly appointed chairman having taken the oath of office;

It is hereby declared that the State Highway and Public Works Commission is organized, as provided by this act, and ready to function, and this executive order is issued to recognize said organization and confirm the same, as provided in said act.

J. C. B. Ehringhaus,  
Governor of North Carolina.

## WRIT OF ELECTION

JUNE 5, 1934

To the Honorable L. P. McLendon, chairman of the State Board of Elections,

To the said State Board of Elections,

To the several county boards of election of the counties of Wake, Franklin, Vance, Randolph, Chatham, Johnson, and Nash,

And all officers and persons concerned, Greeting:

Whereas, The Honorable Edward W. Pou, representative from the Fourth Congressional District in the Congress of the United States, has died, leaving a vacancy in said office for the current term, the said death having occurred since the last general election, and before the term to which he had been elected had expired;

Now, therefore, in compliance with the laws of North Carolina, *Consolidated Statutes* section 6007, I, J. C. B. Ehringhaus, governor, hereby issue this writ of election, and order, require and command that an election be held in the said Fourth Congressional District, and in all the precincts thereof, on the seventh day of July, 1934, and at the time and places, and under the laws and regulations provided for such elections, wherein the

qualified voters of the said Fourth Congressional District may elect a representative in Congress to fill the unexpired term of the said the Honorable Edward W. Pou.

To that end you, and all officers and persons charged with any duty in the premises, are required to make such provision and take such measures as may be directed by law.

Witness my hand and the Great Seal of the state of North Carolina, this June fifth, in the year of our Lord, one thousand nine hundred and thirty-four.

[SEAL]

J. C. B. Ehringhaus, *Governor*.

ATTEST: Stacey W. Wade,  
*Secretary of State.*

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## RESOLUTION

DECEMBER 30, 1934

Whereas, the Honorable E. B. Jeffress, chairman of the State Highway and Public Works Commission, is still physically unable to perform the duties required of his office and there arise particularly at this time most important labors, with respect to parkways and other Federal projects, state legislative matters and other highway problems demanding immediate and constant attention,

Be it resolved, by the Highway and Public Works Commission that the Budget Bureau be and it hereby is requested to establish within the Commission the temporary office of assistant chairman of the Highway and Public Works Commission, to be in the absence of the chairman clothed with all the powers and duties of the chairman, with a recommended salary of \$416.33 $\frac{1}{3}$  per month.

That Honorable Capus M. Waynick be and he is hereby appointed to this position, effective when approved by the Budget Bureau.

## COMMON SCHOOL CENTENNIAL

MAY 11, 1935

## RESOLUTION No. 65

Providing for the observance and commemoration of the one hundredth anniversary of the passing of a resolution directing that "A Plan for Common Schools, Suited to the Condition and Resources of the State," be prepared and reported to the next General Assembly.

Whereas, North Carolina received in one thousand eight hundred and thirty-seven a share of the Federal treasury surplus ordered distributed in one thousand eight hundred and thirty-six by the Congress of the United States;

Whereas, the General Assembly of North Carolina passed on January twentieth, one thousand eight hundred and thirty-seven, a resolution directing that "a plan for Common Schools, suited to the conditions and resources of this State," be prepared and reported to the next General Assembly; and

Whereas, it is fitting and proper that the citizens of the State should have an acquaintance with the history of public education and do honor to those who have contributed to its advancement; and

Whereas, future progress depends upon the conservation of the best from the past; therefore

Be it resolved by the Senate, the House of Representatives concurring:

*Section 1.* That the governor of the state of North Carolina is hereby authorized to issue a proclamation designating the school year one thousand nine hundred and thirty-six and one thousand nine hundred and thirty-seven as Centennial Year in honor of the one hundredth anniversary of the passing of a resolution calling for a plan for common schools.

*Section 2.* That the superintendent of public instruction is authorized to coöperate with the North Carolina Education Association in preparing, organizing and presenting such an educational program as will signally mark this centennial anniversary, and will appropriately portray the progress public education has made during one hundred years then completed.

*Section 3.* Nothing herein contained shall be construed as constituting a charge direct or indirect upon the treasury of the state of North Carolina.

In the General Assembly, read three times, and ratified, this the 11th day of May, 1935.

President of the Senate,  
Speaker of the House of Representatives.

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## RESOLUTION ON TOBACCO ACREAGE

MARCH 26, 1936

The Steering Committee met this morning with the governor and the commissioner of agriculture and after a long conference announced the passage of the following resolution:

Whereas, it is manifest that at the present time the other states growing flue-cured tobacco desire to concentrate action to secure compliance with the terms of the soil conservation act; and

Whereas, the committee feels that the best interest of the growers will be served by consolidating activities in the several states;

Therefore, be it resolved that this committee earnestly recommends that all tobacco growers plant not more than seventy per cent of the base as previously determined, in order that they may qualify for the maximum payments of approximately \$40.00 per acre for acres taken out of tobacco cultivation.

That for the present we concentrate on the soil conservation drive, together with state compacts, and take up the voluntary contract drive later.

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## ACHIEVEMENTS OF THE ADMINISTRATION<sup>1</sup>

1936

The best friends of Governor Ehringhaus will find an element of surprise when they read a simple factual statement of the achievements of his administration.

It began under the most unfavorable auspices. The depression was hunting its deepest depths in January, 1933. It was within

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<sup>1</sup>This statement was prepared for and printed in the *Democratic Handbook for 1936*.



two months of the end of the term of President Hoover, signalized by the closing of every bank in the country. Depression-shrunk revenues had created a state deficit of fourteen million dollars. The State had reached the limit of its credit, with its bonds selling below eighty and its short term notes being called for payment.

There is but one word that properly describes the Ehringhaus approach to the problems of that dark hour—*courage*.

His first imperative demand was a balanced budget. That was established, and with it came the full restoration of state credit.

During this administration the State has not borrowed a nickel—not even in temporary borrowing to tide over the hard places.

The State has not spent a penny for interest on any obligation that had not been created before this administration.

The state debt has been reduced in the total sum of \$24,549.00, counting the bond maturities that will be met by the close of his term, out of funds already accumulated in the treasury.

Every obligation of the State, including teachers' and other salaries, has been met promptly and in cash, not script as in many states.

There has been added to the sinking fund for non-serial state bonds the sum of \$3,287,281, which should be added to the above figure of debt reduction, making the total \$27,836,281.

Has this result been achieved at the expense of the public service?

On the contrary the State has greatly broadened the scope of its responsibility.

Instead of the six months school with a seven million dollars a year deficit we have an eight months state supported school with no deficit and with no tax on property. On other pages of this report will be found a detailed statement by counties, showing a total reduction of property taxes levied for all purposes in the State between 1928 and 1934 from \$63,306,383 to \$33,390,693, or practically cut in half. It has been made possible to own homes and farms without tax confiscation.

Since January 1933 alone, reductions in property taxes amount to the equivalent of 35 cents on the \$100 valuation. Revaluation also reduced values in the State nearly one billion dollars.

The State has enterprised and completed its program recommended by the governor of furnishing school books to all the children of the State on a cost rental basis—reducing this bur-

den for every family in the State to about one-fourth its former cost.

A new and enlarged parole actively involving a regular and careful study of all cases and designed to prevent the possibility of the "forgotten men" as well as check on the conduct of those paroled has been set up. It has been highly praised by Federal experts. By combining the state prison with the state highway department the prison has been made self-sustaining, resulting in an average saving of nearly \$300,000 a year to the taxpayers. County chain gangs, abolished in 1931, relieved the counties of that tax burden, and the policy of developing sanitary district prisons, as substitutes for former county chain gangs has been introduced. The counties have also been relieved of the expense of maintaining all prisoners of over thirty days, a considerable relief.

The central prison has been completely reconstructed, made fireproof and sanitary, scores of camps have been modernized and more are or will be under construction or completed before January 1st.

A more humane prison policy has been adopted, and in the central prison a hospital is maintained that in its essential qualities is equal to the best modern private hospital. Dr. L. F. Bixby, head of the Federal Bureau of prisons, keeps in close touch with the prison policy in all states. After a recent inspection of our prison he said: "More progress has been made in prison improvement in North Carolina in the last three years than in any southern or probably in any American state."

A new woman's prison for felons has been authorized and funds allotted therefor. Its construction is in line with a policy of separation of the sexes and will begin during the fall.

A statement in another section of this pamphlet will give some detail of the biggest program of highway construction and improvement ever undertaken by the State without the use of bond money. Toll bridges have been abolished everywhere.

His administration has coöperated fully with every agency of the Federal government for temporary relief of distress and unemployment. As soon as the legislature meets the State will undertake its share in the permanent program for unemployment insurance and old age pensions.

Rural electrification and telephone service is being rapidly extended. Under our state setup and largely without Federal assistance the greatest progress along this line of any American

state in 1935 has been made and our percentage of homes served more than doubled in the last two years.

Important reductions have been made in rates of power companies and telephone companies throughout the State, as a result of activities of the newly set up Utility Commission which the governor has backed with funds for employment of competent experts and adequate legal support. In the last three years these savings to the people aggregate over \$5,000,000, and the relief will still continue.

In protecting farm products from starvation prices Governor Ehringhaus has done more than coöperate with the Federal government. He took the lead in establishing higher prices for these products—and notably tobacco and peanuts. He closed the warehouses in 1934, and organized the tobacco belt of states to present jointly their claims in Washington—a movement that was a complete success and resulted in immediate increase in tobacco prices to a profit level, which has since been maintained.

The Conservation, Labor, and Welfare departments have each been greatly enlarged, a new and modern safety code has been promulgated and an employment service established.

The State has sponsored the port development now nearing completion at Morehead City, with an important potential bearing on our freight rate structure.

The Great Smoky Mountains Park in Western North Carolina is now an accomplished fact, and is bringing a great and constantly growing stream of visitors from all parts of the country to enjoy its matchless beauty. The great crest-of-the ridge scenic highway, leading the most beautiful approach to it, is well under way and in this enterprise the state government and officials have actively coöperated.

The volume of tax collections has been greatly increased and the cost of collection has been reduced to about 1.39 per cent—a figure we believe as low, if not lower, than that in any American state. Collections in back taxes through increased efficiency and activity aggregate probably \$2,000,000.

And lastly in actual cash savings this administration has more than paid its way. The actual expenditures for administrative purposes—that is including all salaries and expense of all state offices, employees and office expense in all departments—actual figures for three and one-half years and estimate for the last half of this fiscal year amount to less than 4½ cents out of each tax

dollar collected. Administrative policies have brought about the following definite savings:

(1) Interest savings achieved on state debt through re-financing made possible by balancing our budget . .	\$ 2,868,951.00
(2) Savings to taxpayers through consolidation of prison and highway system, which put prisoners to work and thus made the prison self-supporting, approximately	1,250,000.00
(3) Savings through Budget Bureau out of four years appropriations . . . . .	4,000,000.00
(4) Collection of back taxes, approximately . . . . .	2,000,000.00
Total . . . . .	<u>\$10,118,951.00</u>

There were other substantial savings but these alone amount to more than enough to pay all administrative costs of the government for the full four years of this administration. Thus the Ehringhaus administration has more than paid its way and will turn over to its successor a substantial cash balance in every fund.

This brief outline of the more important achievements under difficult circumstances of the Ehringhaus administration entitles it to take its place with the best traditions of the party in the past, and adding another to the long line of distinguished Democratic governors since 1900: Aycock, Glenn, Kitchin, Craig, Bickett, Morrison, McLean, Gardner, Ehringhaus.



COMBINED STATEMENT  
CASH RECEIPTS AND DISBURSEMENTS  
AUDITOR AND TREASURER

For Month of May 1933 and the fiscal year to May 31, 1933

	Month ending May 31, 1933	This fiscal year to 5-31-33
Operation of general fund:		
Cash overdraft beginning of period ....	\$ 961,283.81	\$ 502,612.43
Receipts .....	948,639.07	33,881,569.89
	<hr/>	<hr/>
Balance and receipts .....	\$ 12,644.74	\$ 33,378,957.46
Warrant disbursements .....	1,022,913.26	34,414,515.46
	<hr/>	<hr/>
Cash overdraft May 31, 1933 .....	\$ 1,035,558.00	\$ 1,035,558.00
	<hr/> <hr/>	<hr/> <hr/>
Operations of highway and other special funds:		
Cash balance beginning of period.....	\$ 6,753,999.83	\$ 7,130,515.06
Receipts .....	3,045,673.90	37,871,020.85
	<hr/>	<hr/>
Balance and receipts .....	\$ 9,799,673.73	\$ 45,001,535.91
Warrant disbursements .....	2,290,630.32	37,492,492.50
	<hr/>	<hr/>
Cash balance May 31, 1933 .....	\$ 7,509,043.41	\$ 7,509,043.41
	<hr/> <hr/>	<hr/> <hr/>
Cash balance of the highway and other special funds consist of the following:		
(a) Free cash .....		7,129,925.89
(b) Cash obligated for the following:		
(1) General fund bond interest ....	95,484.98	
(2) Highway bond interest .....	118,184.55	
(3) Special school building bond interest .....	142,060.49	
(4) World War Veterans' loan bond interest .....	4,387.50	
(5) Highway bond redemption .....	18,000.00	
(6) Special school building loan redemption .....	1,000.00	
	<hr/>	
Total obligated cash .....		379,117.52
		<hr/>
Total cash of highway and other special funds .....		7,509,043.41
		<hr/> <hr/>

Total Cash in the State Treasury and reserved  
for the account of the following:

(b) Highway and other special funds:	
(1) Free Cash .....	\$ 7,129,925.89
(2) Outstanding obligations .....	379,117.52
(c) Outstanding warrants .....	297,104.43
(d) Disbursing accounts .....	756,949.44
	<hr/>
	\$ 8,563,097.28
(a) Less: General fund overdraft .....	1,053,558.00
	<hr/>

Net cash balances May 31, 1933. \$ 7,527,539.28

State debt:

Funded debt:

General fund notes .....	\$ 3,588,000.00
General fund bonds .....	43,149,000.00
World War Veterans' loan fund bonds.	2,500,000.00
Highway bonds .....	104,787,000.00
Chowan river bridge bonds.....	450,000.00
Cape Fear river bridge bonds .....	1,250,000.00
Special school building bonds .....	14,460,000.00
	<hr/>

170,184,000.00

Temporary loans:

General fund notes .....	12,230,000.00
	<hr/>

Total State debt .....	<u>\$182,414,000.00</u>
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COMBINED STATEMENT  
CASH RECEIPTS AND DISBURSEMENTS  
AUDITOR AND TREASURER

For the Month of May 1934 and Fiscal Year to May 31, 1934

	Month ending May 31, 1934	This fiscal year to 6-31-34
Operation of general fund:		
Cash overdraft beginning of period.....	\$ 2,515,694.68	\$ 4,084,932.41
Receipts .....	1,469,642.03	25,514,356.43
Balance and receipts .....	1,046,052.65	21,429,424.02
Warrant disbursements .....	1,313,202.13	23,788,678.80
	<hr/>	<hr/>
Cash overdraft May 31, 1934 .....	\$ 2,359,254.78	\$ 2,359,254.78
	<hr/>	<hr/>
Operation of highway and other special funds:		
Cash balance beginning of period.....	\$ 10,913,576.47	\$ 9,113,923.97
Receipts .....	4,295,194.11	45,599,493.67
Balance and receipts .....	15,208,770.58	54,713,416.64
Warrant Disbursements .....	3,442,811.01	42,947,457.07
	<hr/>	<hr/>
Cash balance May 31, 1934 .....	\$ 11,765,959.57	\$ 11,765,959.57
	<hr/>	<hr/>
Total cash in Treasury and reserved for the account of the following:		
(b) Highway and other special funds....	11,765,959.57	
(c) Outstanding warrants .....	462,530.59	
(d) Disbursing accounts .....	874,818.29	
	<hr/>	
		13,103,308.45
(a) Less: General fund overdraft .....		2,359,254.78
		<hr/>
Net balance .....		10,744,053.67
		<hr/>
State debt:		
Funded debt:		
General fund notes .....	2,588,000.00	
General fund bonds .....	42,990,000.00	
World War Veterans' loan bonds .....	2,500,000.00	
Highway bonds .....	101,204,000.00	
Chowan River bridge bonds .....	425,000.00	
Cape Fear River bridge bonds .....	1,225,000.00	
Special school building bonds .....	13,585,000.00	
	<hr/>	
Total funded debt .....		\$164,526,000.00
Temporary loans		
General fund notes .....		12,230,000.00
		<hr/>
Total State debt .....		\$176,756,000.00
		<hr/>

COMBINED STATEMENT  
CASH RECEIPTS AND DISBURSEMENTS  
AUDITOR AND TREASURER

For the Month of May 1935 and Fiscal Year to May 31, 1935

	Month ending May 31, 1935	This fiscal year to 6-31-35
Operation of general fund:		
Cash overdraft beginning of period .....	\$ 1,132,429.95	\$ 2,601,372.28
Receipts .....	1,468,722.55	40,126,045.16
	<hr/>	<hr/>
Balance and receipts .....	\$ 336,292.60	\$ 37,524,672.88
Warrant disbursements .....	2,130,411.00	39,318,791.28
	<hr/>	<hr/>
Cash overdraft May 31, 1935 .....	\$ 1,974,118.40	\$ 1,974,118.40
	<hr/>	<hr/>
Operation of highway and other special funds:		
Cash balance beginning of period .....	\$ 17,563,048.65	\$ 12,179,564.21
Receipts .....	4,383,266.00	64,252,623.61
	<hr/>	<hr/>
Balance and receipts .....	\$ 21,946,314.65	\$ 76,432,187.82
Warrant disbursements .....	4,430,395.29	58,916,268.46
	<hr/>	<hr/>
Cash balance May 31, 1935 .....	\$ 17,515,919.36	\$ 17,515,919.36
	<hr/>	<hr/>
Cash in State Treasury and reserved for the account of the following:		
(b) Highway and other special funds ...	\$ 17,515,919.36	
(c) Warrants outstanding .....	116,912.79	
(d) Disbursing accounts .....	923,774.36	
	<hr/>	
	\$18,556,606.51	
(a) Less: General fund overdraft .....	\$ 1,794,118.40	
	<hr/>	
		\$ 16,762,488.11
		<hr/>
State debt:		
Funded debt:		
General fund notes .....	\$ 1,588,000.00	
General fund bonds .....	55,129,000.00	
World War veterans' loan bonds .....	2,500,000.00	
Highway bonds .....	97,071,000.00	
Chowan River bridge fund bonds .....	400,000.00	
Cape Fear River bridge fund bonds ...	1,200,000.00	
Special school building bonds .....	12,710,000.00	
	<hr/>	
Total State debt .....		\$170,598,000.00
		<hr/>



COMBINED STATEMENT  
CASH RECEIPTS AND DISBURSEMENTS  
AUDITOR AND TREASURER

For the Month of May 1936 and Fiscal Year to May 31, 1936

	Month ending May 31, 1936	This fiscal year to 8-31-36
Operation of general fund:		
Cash balance for this period .....	\$ 2,918,687.11	\$ 2,310,497.25
Receipts .....	2,062,448.48	36,995,763.26
	<hr/>	<hr/>
Balance and receipts .....	4,981,135.59	34,685,266.01
Warrant disbursements .....	3,008,708.48	32,712,838.90
	<hr/>	<hr/>
Cash balance May 31, 1936 .....	\$ 1,972,427.11	\$ 1,972,427.11
	<hr/>	<hr/>
Operation of highway fund:		
Cash balance beginning of period .....	\$ 14,476,555.69	\$ 9,651,517.25
Receipts .....	2,348,888.24	29,151,966.74
	<hr/>	<hr/>
Balance and receipts .....	\$ 16,825,443.93	\$ 38,803,483.99
Warrant disbursements .....	2,201,608.66	24,179,648.72
	<hr/>	<hr/>
Cash balance May 31, 1936 .....	\$ 14,623,835.27	\$ 14,623,835.27
	<hr/>	<hr/>
Operation of all other special funds:		
Cash balance beginning of period .....	\$ 2,606,993.61	\$ 7,212,730.79
Receipts .....	413,715.69	20,518,852.97
	<hr/>	<hr/>
Balance and receipts .....	\$ 3,020,709.30	\$ 27,731,583.76
Warrant disbursements .....	691,915.96	25,402,790.42
	<hr/>	<hr/>
Cash balance May 31, 1936 .....	\$ 2,328,793.34	\$ 2,328,793.34
	<hr/>	<hr/>
Cash in State Treasury and reserved for the account of the following:		
(a) General fund .....	\$ 1,972,427.11	
(b) Highway fund .....	14,623,835.27	
(c) All other special funds .....	2,328,793.34	
(d) Warrants outstanding .....	209,883.12	
(e) Disbursing accounts .....	1,325,468.58	
	<hr/>	
	\$ 20,460,407.42	
	<hr/>	

## State debt:

## Funded debt:

General fund bonds .....	\$ 57,863,000.00	
World War veterans' loan bonds .....	2,500,000.00	
Highway bonds .....	92,771,000.00	
Chowan River bridge fund bonds .....	350,000.00	
Cape Fear River bridge fund bonds ...	1,175,000.00	
Special school building bonds .....	12,710,000.00	
<hr/>		
Total State debt .....		\$167,369,000.00
		<hr/> <hr/>





Title of Issue	Law Chapter	Year	Rate	Dated	Maturity	Issued	Outstanding June 30, 1933
<b>GENERAL FUND BONDS:</b>							
State Hospital	510	1909	4 %	July 1, 1909	1949	\$ 500 000	\$ 500 000
Refunding	399	1909	4 %	July 1, 1910	1950	3 430 000	3 430 000
Administration	66	1911	4 %	July 1, 1911	1951	250 000	250 000
School for Feeble Minded	87	1911	4 %	July 1, 1911	1951	60 000	60 000
Refunding	73	1911	4 %	January 1, 1913	1953	550 000	550 000
Improvement	102	1913	4 %	July 1, 1913	1953	1 142 500	1 142 500
Educational and Charitable (Serial)	154	1917	4 %	July 1, 1917	\$100,000 1923 to 1927 (inclusive)	500 000	—
Educational and Charitable (Serial)	154	1917	4 %	July 1, 1918	\$100,000 1928 to 1929; \$98,000 1930; \$100,000 1931 and 1932	498 000	—
Educational and Charitable (Serial)	154	1917	4 %	July 1, 1919	\$100,000 1933 to 1936; \$96,500 1937	496 500	396 500
Educational and Charitable (Serial)	154	1917	4 %	July 1, 1920	1938	74 000	74 000
Training School for Girls and Women	265	1917	4 %	July 1, 1917	1927	25 000	—
Caswell Training School	269	1917	4 %	July 1, 1917	1927	75 000	—
Funding	107	1921	5 %	February 15, 1922	\$750,000 1937 and 1942; \$1,500,000 1947 and 1952	4 500 000	4 500 000
Educational and Charitable	165	1921	5 %	July 1, 1921	1961	3 372 000	3 372 000
Educational and Charitable	165	1921	4½ %	January 1, 1922	1962	3 373 000	3 373 000
Educational and Charitable	162	1923	4½ %	October 1, 1923	1963	3 049 000	3 049 000
Educational and Charitable	162	1923	4¾ %	October 1, 1923	1963	7 100 000	7 100 000
Educational and Charitable	162	1923	4¾ %	October 1, 1923	1963	500 000	500 000
General Fund notes (Serial)	112	1925	4¼ %	July 1, 1925	\$400,531 1926; \$450,000 1927; \$1,000,000 1928 to 1934; \$1,588,000 1935	9 438 531	2 588 000
Educational and Charitable	192	1925	4½ %	January 1, 1926	1966	5 125 000	5 125 000
Educational and Charitable	147	1927	4¼ %	April 1, 1930	1968	1 000 000	1 000 000
Educational and Charitable (Serial)	295	1929	4¾ %	April 1, 1930	\$370,000 1936; \$400,000 1937 to 1940 (inclusive)	1 970 000	1 970 000
Great Smoky Mountains Park (Serial)	48	1927	4¼ %	April 1, 1930	\$50,000 1933 to 1972 (inclusive)	2 000 000	1 950 000
Educational and Charitable	147	1927	4 %	April 1, 1931	1968	4 247 000	4 247 000
Farm Colony for Women	219	1927	4 %	April 1, 1931	1967	60 000	60 000
The State's Prison Farm	152	1927	4 %	July 1, 1931	1967	400 000	400 000
Total General Fund Bonds						\$ 54 735 531	\$ 45 637 000
<b>HIGHWAY BONDS:</b>							
Highway Construction (Serial)	2	1921	5 %	July 1, 1921	\$12,600 1931; \$15,000 1941; \$25,000 1951; \$4,500,000 1961	\$ 4 552 600	\$ 4 540 000
Highway Construction (Serial)	2	1921	4½ %	January 1, 1922	\$300,000 1932 to 1961 (inclusive)	9 000 000	8 400 000
Highway Construction (Serial)	2	1921	4½ %	July 1, 1921	\$200,000 1932 to 1961 (inclusive)	6 000 000	5 600 000
Highway Construction (Serial)	2	1921	4½ %	January 1, 1923	\$250,000 1933 to 1952 (inclusive)	5 000 000	4 750 000
Highway Construction (Serial)	2	1921	4½ %	January 1, 1923	\$250,000 1933 to 1937 (inclusive)	1 250 000	1 000 000
Highway Construction (Serial)	2	1921	4½ %	January 1, 1923	\$500,000 1935 to 1962 (inclusive)	5 000 000	5 000 000
Highway Construction (Serial)	2	1921	4¾ %	January 1, 1923	\$250,000 1938 to 1952 (inclusive)	3 750 000	3 750 000
Highway Construction (Serial)	2	1921	4½ %	January 1, 1924	\$333,000 1934 to 1962 (inclusive); \$343,000 1963	10 000 000	10 000 000
Highway Construction (Serial)	2	1921	4½ %	January 1, 1925	July 1, 1951	447 400	447 000
Highway Construction (Serial)	2	1921	4½ %	January 1, 1926	\$167,000 1936 to 1963 (inclusive); \$324,000 1964	5 000 000	5 000 000
Highway Construction (Serial)	263	1923	4½ %	January 1, 1925	\$500,000 1935 to 1964 (inclusive)	15 000 000	15 000 000
Highway Construction (Serial)	35	1925	4½ %	January 1, 1926	\$150,000 1930 to 1933; \$200,000 1934 to 1937; \$250,000 1938 to 1941; \$300,000 1942 to 1945; \$350,000 1946 to 1949 (all inclusive)	5 000 000	4 400 000
Highway Construction (Serial)	35	1925	4¼ %	January 1, 1927	\$450,000 1930; \$500,000 1931; \$550,000 1932; \$600,000 1933; \$550,000 1934; \$600,000 1935 and 1936; \$650,000 1937 and 1938; \$700,000 1939; \$750,000 1940; \$800,000 1941 and 1942; \$850,000 1943; \$900,000 1944; \$950,000 1945 and 1946; \$1,000,000 1947; \$1,050,000 1948; \$1,100,000 1949	15 000 000	12 900 000
Highway Construction (Serial)	95	1927	4 %	January 1, 1927	\$1,500,000 1929; \$1,000,000 1930 to 1937 (inclusive); \$500,000 1938. (Bonds mature July 1)	10 000 000	4 500 000
Highway Construction (Serial)	95	1927	4 %	January 1, 1927	\$1,000,000 1938 to 1947 (inclusive) (Bonds mature July 1)	10 000 000	10 000 000
Highway Construction (Serial)	95	1927	4 %	January 1, 1928	\$500,000 1930 to 1941 (inclusive)	6 000 000	4 000 000
Highway Construction (Serial)	95	1927	4 %	January 1, 1931	\$500,000 1942 to 1947 (inclusive); \$1,000,000 1948	4 000 000	4 000 000
Chowan River Bridge (Serial)	74	1925	4¼ %	January 1, 1930	\$50,000 1932 and 1933; \$25,000 1934 and 1935; \$50,000 1936; \$25,000 1937; \$50,000 1938 and 1939; \$25,000 1940; \$50,000 1941 to 1944 (inclusive)	550 000	450 000
Cape Fear River Bridge (Serial)	41	1927	4¼ %	January 1, 1931	\$25,000 1934 to 1937; \$50,000 1938 to 1946; \$75,000 1947 to 1950; \$100,000 1951 to 1954 (all inclusive)	1 250 000	1 250 000
Total Highway Bonds						\$ 116 800 000	\$ 104 987 000
<b>SPECIAL SCHOOL BUILDING BONDS:</b>							
Special School Building	147	1921	4½ %	January 1, 1922	\$165,000 1927 to 1946 (inclusive)	\$ 3 300 000	\$ 2 145 000
Special School Building (Serial)	147	1921	4½ %	January 1, 1923	\$85,000 1928 to 1947 (inclusive)	1 700 000	1 190 000
Special School Building (Serial)	136	1923	4½ %	January 1, 1926	\$250,000 1931 to 1950 (inclusive)	5 000 000	4 250 000
Special School Building (Serial)	201	1925	4¼ %	January 1, 1927	\$250,000 1932 to 1951 (inclusive)	5 000 000	4 500 000
Special School Building (Serial)	199	1927	4 %	January 1, 1928	\$125,000 1933 to 1940 (inclusive); \$100,000 1941	1 100 000	975 000
Special School Building (Serial)	199	1927	4¼ %	January 1, 1928	\$25,000 1941; \$125,000 1942 to 1952 (inclusive)	1 400 000	1 400 000
Total Special School Building Bonds						\$ 17 500 000	\$ 14 460 000
<b>WORLD WAR VETERANS' LOAN BONDS:</b>							
World War Veterans' Loan	97	1927	4¼ %	April 1, 1930	1950	\$ 2 000 000	\$ 2 000 000
World War Veterans' Loan	298	1929	4 %	July 1, 1931	1951	500 000	500 000
Total World War Veterans' Loan Bonds						\$ 2 500 000	\$ 2 500 000
Total State Debt						\$ 191 535 531	\$ 167 584 000
<b>BONDS AUTHORIZED AND UNSOLD:</b>							
World War Veterans' Loan	298	1929		\$ 1 500 000			
<b>NOTES OUTSTANDING:</b>							
General Fund Notes	371	1931		\$12 230 000			
<b>SUMMARY JUNE 30, 1933:</b>							
Bonded Indebtedness				\$ 167 584 000			
General Fund Notes Outstanding				12 230 000			
Total				\$ 179 814 000			





## APPOINTMENTS



GOVERNOR'S PERSONAL STAFF<sup>1</sup>

Name	Address	Appointed	Expired
Col. Don E. Scott*	Graham	10-17-34	Jan. 1937
Col. Hodge A. Newell*	Henderson	10-17-34	Jan. 1937
Col. Royce S. McClelland*	Wilmingtton	10-17-34	Jan. 1937
Col. Godfrey Cheshire	Raleigh	10-17-34	Jan. 1937
Lt. Col. John Hall Manning	Raleigh	10-17-34	Jan. 1937
Major Stephen B. Doley	Gastonia	10-17-34	Jan. 1937
Major Eugene P. Costen*	Asheville	10-17-34	Jan. 1937
Major Paul R. Younts	Charlotte	10-17-34	Jan. 1937
Major Murray P. Whitchard	Edenton	10-17-34	Jan. 1937
Major Enser W. Cole	Salisbury	10-17-34	Jan. 1937
Captain John C. M. Vann	Monroe	10-17-34	Jan. 1937
Captain Samuel J. Ervin, Jr.	Morganton	10-17-34	Jan. 1937

NORTH CAROLINA STATE BOARD OF HEALTH<sup>2</sup>

Dr. James P. Stowe <sup>3</sup>	Charlotte	11- 6-33	5- 1-37
Dr. Hubert B. Haywood, Jr. <sup>4</sup>	Raleigh	11- 6-33	5- 1-37
Dr. J. N. Johnson*	Goldsboro	11- 6-33	5- 1-37
Dr. H. H. Large*	Rocky Mount	5- 3-35	5- 1-39
Dr. H. G. Baity*	Chapel Hill	5- 3-35	5- 1-39

SPECIAL JUDGES OF THE SUPERIOR COURT<sup>5</sup>

G. Vernon Cowper*	Kinston	6-23-33	6-30-35-37
Clayton Moore	Williamston	6-23-33	6-30-35-37
Frank S. Hill	Murphy	6-23-33	6-30-35-37
A. D. Folger <sup>6</sup>	Dobson	11- 4-36	6-30-37

<sup>1</sup>The governor's personal staff is composed of 12 members. *Public Laws of North Carolina, 1917*, Chap. 200. (Hereafter the *Public Laws of North Carolina* will be cited as *P.L.*)

<sup>2</sup>Persons reappointed on the various boards will be designated by the asterisk.

<sup>3</sup>The board is composed of 9 members of 6 year terms, 3 appointed by the governor and 6 by the Medical Society. *P.L., 1885*, Chap. 237. See *P.L., 1931*, Chap. 177.

<sup>4</sup>Succeeded Dr. J. A. Goode whose term expired.

<sup>5</sup>Succeeded Dr. J. T. Burrus whose term expired.

<sup>6</sup>Four judges of 2 year terms. *P.L., 1935*, Chap. 217.

<sup>7</sup>Succeeded Clayton Moore who resigned.



STATE BOARD OF ACCOUNTANCY<sup>7</sup>

<i>Name</i>	<i>Address</i>	<i>Appointed</i>	<i>Expired</i>
Frank L. Jackson*	Davidson	5- 8-34	5- 1-37
W. E. Stevens <sup>8</sup>	Lenoir	7-10-34	5- 1-37
W. M. Russ*	Raleigh	8- 6-35	5- 1-38
George E. Perrin <sup>9</sup>	Greensboro	8- 6-35	5- 1-38

MOSES H. CONE MEMORIAL HOSPITAL<sup>10</sup>

	Greensboro		
E. S. Parker, Jr.*	Greensboro	5- 8-33	5-10-37
Thurmond Chatham*	Winston-Salem	5- 8-33	5-10-37
Sidney J. Stern <sup>11</sup>	Greensboro	5- 8-33	5-10-37
L. P. McLendon <sup>12</sup>	Greensboro	5- 6-35	5-10-37

STATE SCHOOL COMMISSION<sup>13</sup>

T. B. Altmire (1st Cong. Dist.)	Washington	5-22-33	5-22-35-37
George C. Green (2nd Cong. Dist.)	Weldon	5-22-33	5-22-35-37
A. McL. Graham (3rd Cong. Dist.)	Clinton	5-22-33	5-22-35-37
F. P. Spruill (4th Cong. Dist.)	Rocky Mount	5-22-33	5-22-35-37
John H. Folger (5th Cong. Dist.)	Mt. Airy	5-22-33	5-22-35-37
Henry R. Dwire (6th Cong. Dist.)	Durham	5-22-33	5-22-35-37
J. O. Carr (7th Cong. Dist.)	Wilmington	5-22-33	5-22-35
Edwin Pate (8th Cong. Dist.)	Laurel Hill	5-22-33	5-22-35-37
B. B. Daugherty (9th Cong. Dist.)	Boone	5-22-33	5-22-35-37
W. Grady Gaston (10th Cong. Dist.)	Gastonia	5-22-33	5-22-35-37
C. J. Holler (11th Cong. Dist.)	Union Mills	5-22-33	5-22-35-37
Walter H. Powell <sup>14</sup> (7th Cong. Dist.)	Whiteville	5-22-33	5-22-35
John A. Oates <sup>15</sup> (7th Cong. Dist.)	Fayetteville	1- 9-35	5-22-35-37

STATE LICENSING BOARD OF CONTRACTORS<sup>16</sup>

U. A. Underwood*	Wilmington	1-12-34	12-31-38
F. D. Cline	Raleigh	1-12-34	12-31-37
Fred N. Thompson <sup>17</sup>	Charlotte	2-23-35	12-31-39
V. P. Loftis*	Charlotte	12-30-35	12-31-40

NORTH CAROLINA STATE ART SOCIETY, INCORPORATED<sup>18</sup>

Mrs. Jefferson Penn	.	.	.	Reidsville	12- 6-34	5- 1-35
Burton Craige	.	.	.	Salisbury	12- 6-34	5- 1-35
Mrs. W. N. Reynolds	.	.	.	Winston-Salem	12- 6-34	5- 1-37
Mrs. S. Westray Battle	.	.	.	Asheville	12- 6-34	5- 1-37
Mrs. Isabel Bowen Henderson <sup>1,9</sup>	.	.	.	Raleigh	12-20-35	5- 1-39
M. C. S. Noble, jr. <sup>20</sup>	.	.	.	Raleigh	12-20-35	5- 1-39

NORTH CAROLINA COTTON GROWERS COOPERATIVE ASSOCIATION<sup>21</sup>

I.O. Schaub <sup>22</sup>	. . . . .	Raleigh	9-15-34
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ADVISORY BUDGET COMMISSION<sup>23</sup>[illegible]STATE HOME & INDUSTRIAL SCHOOL FOR GIRLS<sup>24</sup>  
Samarcand[illegible]

<sup>77</sup>The board is composed of 4 members of 3 year terms. *P.L., 1925*, Chap. 261.

<sup>6</sup>Succeeded J. B. McCabe whose term expired.

<sup>9</sup>Succeeded Walter Charnley whose term expired.

<sup>a</sup>Board is composed of 15 members, 8 of whom are appointed by Mrs. Bertha L. Cone; at her death or her renunciation of her right to appoint vacancies are filled by election by the board of trustees. Of the 7 remaining members, 3 are appointed by the board of commissioners of the city of Greensboro; 1 by the board of commissioners of Watauga County, and the 2 remaining members are appointed by the board of commissioners of Watauga County. *Priv. L., 1913, Chap. 400.*

<sup>11</sup>Succeeded J. Elwood Cox whose term expired.

<sup>12</sup>Succeeded E. S. Parker, Jr., deceased.

<sup>137</sup>The board is composed of 11 members, one from each congressional district, for terms of 2 years; the lieutenant governor, chairman, state superintendent of public instruction as vice-chairman, and the state treasurer are ex-officio members. *P.L., 1935*, Chap. 455.

<sup>14</sup>Succeeded J. O. Carr, resigned.

<sup>15</sup>Succeeded W. H. Powell, resigned.

<sup>16</sup>The board is composed of 5 members of 5 y

<sup>17</sup>Succeeded A. K. Burrus whose term expired.

<sup>18</sup>Board is composed of 16 members, 4 appointed

Board is composed of 10 members, 4 appointed, for term of office determined by the State.

of the Art Committee of the North Carolina Federation of the Arts, for term of office determined by the Society.

<sup>19</sup>Succeeded Jefferson Penn whose term expired.

<sup>20</sup>Succeeded Burton Craig whose term expired.

<sup>21</sup>One member of 3 year term. *P.L. 1991*. Chap.

<sup>22</sup>Succeeded H. B. Blacklock whose term expired

NORTH CAROLINA SANATORIUM FOR TREATMENT OF TUBERCULOSIS<sup>26</sup>

Name	Address	Appointed	Expired
Dr. J. R. Terry <sup>27</sup>	Lexington	3-20-35	10-30-37
Robert M. Hanes	Winston-Salem	4-29-35	4-29-41
R. L. Harris	Roxboro	4-29-35	4-29-41
L. Lee Gravely	Rocky Mount	4-29-35	4-29-41
E. A. Rasberry	Snow Hill	4-29-35	4-29-39
Dr. Thurman D. Kitchin	Wake Forest	4-29-35	4-29-39
Laurie McEachern	Raeford	4-29-35	4-29-39
Dr. J. W. McGehee	Reidsville	4-29-35	4-29-39
U. L. Spence	Carthage	4-29-35	4-29-39
Mrs. Max Payne	Greensboro	4-29-35	4-29-37

SITE COMMITTEE FOR WESTERN NORTH CAROLINA SANATORIUM FOR TUBERCULOSIS<sup>28</sup>

Dr. Isaiah Fearing	Elizabeth City	4-29-35	
Ernest V. Webb	Kinston	4-29-35	
Kemp D. Battle	Rocky Mount	4-29-35	
Dr. W. W. Sawyer <sup>29</sup>	Elizabeth City	6-11-35	
R. E. Finch, <i>Director</i>	Black Mountain	8-25-36	8-25-38
Dr. M. L. Stevens	Asheville	8-25-36	8-25-38

STATE BOARD OF BARBER EXAMINERS<sup>30</sup>

M. C. Whitney <sup>31</sup>	Winston-Salem	7-22-33	7-1-39
J. Marvin Cheek*	High Point	6-10-35	7-1-41

NORTH CAROLINA INDUSTRIAL COMMISSION<sup>32</sup>

T. A. Wilson <sup>33</sup>	Raleigh	7-22-33	5-1-39
Harry McMullan <sup>34</sup>	Raleigh	9-4-34	5-1-35
J. Dewey Dorsett <sup>35</sup>	Siler City	1-20-35	5-1-41
Buren Journey <sup>36</sup>	Statesville	1-20-35	5-1-37

NORTH CAROLINA REAL ESTATE BOARD<sup>37</sup>

Kemp C. Glendenin <sup>38</sup>	Greensboro	6-27-34	3-29-35-38
Herbert W. Dysort <sup>39</sup>	Asheville	10-29-35	3-29-37
W. S. Murchison*	Raleigh	10-29-35	3-29-39

NORTH CAROLINA LIBRARY COMMISSION <sup>40</sup>				
W. D. Pruden <sup>41</sup>	.	.	.	4- 1-37
	.	.	.	Edenton
NORTH CAROLINA PARK COMMISSION <sup>42</sup>				
W. W. Neal	.	.	.	7-18-33
C. Foster Hankins	.	.	.	7-18-37
John W. Aiken	.	.	.	7-18-37
Thomas W. Rowe	.	.	.	7-18-37
Charles A. Cannon	.	.	.	7-18-37
	.	.	.	Concord
INVESTIGATING AND AUDITING COMMITTEE OF THE PARK COMMISSION <sup>43</sup>				
W. W. Neal	.	.	.	7-18-33
C. Foster Hankins	.	.	.	7-18-37
John W. Aiken	.	.	.	7-18-37
	.	.	.	Lexington
	.	.	.	Hickory

<sup>40</sup>Board is composed of 9 members of 4 year terms, appointed by the governor and confirmed by the Senate. *P.L., 1925*, Chap. 306.

<sup>41</sup>Succeeded Stable Linn whose term expired.

<sup>42</sup>In 1935 the Legislature enacted a law establishing the Western North Carolina Sanatorium for Tuberculosis and provided one board for the two tubercular sanitoriums in the State. The site committee, composed of 3 members, were not members of the board of directors. *P.L., 1935*, Chaps. 91 and 138.

<sup>43</sup>Succeeded Dr. Isaiah Peering, declined.

<sup>44</sup>Board is composed of 3 members of 6 year terms. *P.L., 1929*, Chap. 119.

<sup>45</sup>Succeeded J. G. Shannonhouse whose term expired.

<sup>46</sup>Board is composed of 3 members of 6 year terms. *P.L., 1929*, Chap. 120.

<sup>47</sup>Succeeded J. Dewey Dorsett, chairman, 1-1-37.

<sup>48</sup>Succeeded Matt H. Allen, chairman, who resigned September 1934.

<sup>49</sup>Succeeded Harry McMullan, chairman, who resigned 2-1-36.

<sup>50</sup>Succeeded J. Dewey Dorsett, chairman, who resigned 1-1-37.

<sup>51</sup>Board is composed of 3 members of 3 year terms. *Public Local Laws of North Carolina, 1927*, Chap. 241. (Hereafter *Public Local Laws* will be cited as *P.L.L.*)

<sup>52</sup>Succeeded Ross M. Sigmon whose term expired.

<sup>53</sup>Succeeded C. C. Smithdeal whose term expired.

<sup>54</sup>Board is composed of the superintendent of public instruction, state librarian as ex officio members, two members appointed by the N. C. Library Association, and one member appointed by the governor for 3 year terms. *P.L., 1909*, Chap. 873.

<sup>55</sup>Succeeded Robert Latham whose term expired.

<sup>56</sup>Board is composed of 5 members of 4 year terms. *P.L., 1927*, Chap. 48; *P.L., 1933*, Chap. 212.

<sup>57</sup>Board is composed of 3 members, no term specified. *P.L., 1933*, Chap. 212.



DEPARTMENT OF CONSERVATION AND DEVELOPMENT<sup>44</sup>

Name	Address	Appointed	Expired
Piercy Carter <sup>45</sup>	Asheville	8- 4-33	4- 1-39
Harry Lindsay <sup>46</sup>	Spray	8- 4-33	4- 1-39
D. L. Ward, Jr.*	New Bern	8- 4-33	4- 1-39
J. L. Horne, Jr. <sup>47</sup>	Rocky Mount	8- 4-33	4- 1-39
L. P. Beam <sup>48</sup>	Lincolnton	8- 4-33	4- 1-37
Joseph P. Rawley <sup>49</sup>	High Point	8-24-33	4- 1-37
R. Bruce Etheridge <sup>50</sup>	Manteo	8-24-33	4- 1-37
J. W. Harrelson <sup>51</sup>	Raleigh	9-25-33	4- 1-37
James L. McNair <sup>52</sup>	Laurinburg	12- 3-34	4- 1-35-41
W. C. Ewing*	Fayetteville	6-10-35	4- 1-41
J. W. Stone*	Greensboro	6-10-35	4- 1-41
J. Q. Gilkey*	Marion	6-10-35	4- 1-41

EAST CAROLINA TEACHERS COLLEGE<sup>53</sup>

Mrs. Charles S. Forbes*	Greenville	4-20-34	6-30-39
Mrs. John G. Dawson*	Greenville	4-20-34	6-30-39
Mrs. W. B. Murphy*	Kinston	4-20-34	6-30-39
W. J. Boyd <sup>54</sup>	Snow Hill	4-20-34	6-30-39
R. R. Taylor <sup>55</sup>	Ayden	4-20-34	6-30-39
Mrs. Charles M. Johnson <sup>56</sup>	Greenville	4-20-34	6-30-35-42
F. C. Harding*	Raleigh	4-11-35	6-30-37
E. G. Flanagan*	Greenville	5-20-36	6-30-42
Henry Clark Bridgers*	Greenville	5-20-36	6-30-42
	Tarboro	5-20-36	6-30-42

WESTERN CAROLINA TEACHERS COLLEGE<sup>57</sup>

	Cullowhee		
Mrs. Giles Cover*	Andrews	6-22-34	4-10-37
J. E. Coburn*	Bryson City	6-22-34	4-10-37
Scroop W. Enloe*	Dillsboro	6-22-34	4-10-37
Harry E. Buchanan <sup>58</sup>	Henderscville	6-22-34	4-10-37
James Atkins <sup>59</sup>	Waynesville	6-22-34	4-10-37
Thomas L. Johnson <sup>60</sup>	Asheville	6-22-34	4-10-37
Clyde A. Erwin <sup>61</sup>	Rutherfordton	6-22-34	4-10-37
W. E. Breese <sup>62</sup>	Brevard	6-22-34	4-10-37
Miss Olive Patton <sup>63</sup>	Franklin	6-22-34	4-10-37
Mrs. D. Howard Tillett <sup>64</sup>	Andrews	12- 5-34	4-10-37

CHEROKEE INDIAN NORMAL SCHOOL<sup>65</sup>

James E. Dial*	.	.	.	.	Pembroke	6-15-33	4-	1-37
W. D. Oxendine*	.	.	.	.	Lumberton	6-15-33	4-	1-37
Ralph Lowery*	.	.	.	.	Buies	6-15-33	4-	1-37
E. B. Sampson*	.	.	.	.	Pembroke	6-15-33	4-	1-37
D. F. Lowery*	.	.	.	.	Pembroke	6-15-33	4-	1-37
A. N. Locklear*	.	.	.	.	Raynham	6-15-33	4-	1-37
James A. Sampson	.	.	.	.	Pates	6-15-33	4-	1-37
Carl Lee Maynor <sup>66</sup>	.	.	.	.	Lumberton	6-15-33	4-	1-37
Earlie Bullard	.	.	.	.	Pembroke	6-15-33	4-	1-37
Rev. S. A. Hammonds <sup>67</sup>	.	.	.	.	Maxton	6-15-33	4-	1-37
E. Lowery <sup>68</sup>	.	.	.	.	Lumberton	1-12-34	4-	1-37
L. W. Jacobs*	.	.	.	.	Raynham	5-31-34	4-	1-37
M. L. Lowery*	.	.	.	.	Pembroke	4-9-35	4-	1-39
	.	.	.	.	Pembroke	4-9-35	4-	1-39

<sup>44</sup>Board is composed of a director and 12 members of 6 year terms, appointed by the governor and confirmed by the Senate. *P.L., 1927, Chap. 57.*

<sup>45</sup>Succeeded James G. K. McClure, Jr., whose term expired.

<sup>46</sup>Succeeded Lee B. Weathers whose term expired.

<sup>47</sup>Succeeded Wade S. Marr whose term expired.

<sup>48</sup>Succeeded E. D. Cranford whose

<sup>56</sup>Succeeded J. W. Harrelson as director.

<sup>51</sup>Succeeded R. Bruce Etheridge

Succeeded Ford S. Worthy. The board is composed of 12 members of 6 year terms appointed by the governor and confirmed by the Senate. The superintendent of public instruction is ex officio chairman. *P.L., 1929, Chap. 259.*

<sup>54</sup>Succeeded Carl Goerch whose term expired.

<sup>55</sup>Succeeded N. E. Day whose term expired.

<sup>57</sup>Board is composed of 9 members of 4 year terms appointed by the governor and confirmed by the Senate. *P.L., 1925*, Chap. 270; *P.L., 1925*, Chap. 270.

19: 210.  
58 Succeeded C. C. Buchanan whose term expired.

<sup>569</sup>Succeeded W. R. Francis whose term expired.

<sup>60</sup>Succeeded Dr. C. C. Bennett whose term expired.

<sup>51</sup>Succeeded J. L. Hyatt whose term expired.

<sup>32</sup>Succeeded Thomas M. Bird whose term expired.

<sup>84</sup>Succeeded J. F. Coburn deceased.

Board is composed of 11 members of 4 year terms, appointed by the governor and confirmed by the Senate. *P.L., 1925*, Chap. 306; *P.L., 1931*, Chap. 275.

<sup>60</sup>Succeeded P. M. Locklear whose term expired.

<sup>87</sup>Succeeded James E. Dial, deceased.

<sup>188</sup>Succeeded A. N. Locklear, deceased.

STATE HOSPITAL FOR THE INSANE<sup>69</sup>

Raleigh

<i>Name</i>	<i>Address</i>	<i>Appointed</i>	<i>Expired</i>
Dr. Charles S. Mangum <sup>70</sup>	Chapel Hill	8- 4-33	4- 1-37
Dr. W. R. Stanford <sup>71</sup>	Durham	8- 4-33	4- 1-37
Dr. J. N. Hill <sup>72</sup>	Murphy	8- 4-33	4- 1-37
Dr. W. H. Crowell <sup>73</sup>	Shawboro	8- 4-33	4- 1-37
Wm. G. Clark*	Tarboro	8- 4-33	4- 1-37
K. C. Council*	Wanahis	8- 4-33	4- 1-37

STATE HOSPITAL FOR THE INSANE<sup>74</sup>

Morganton

Harry Riddle <sup>75</sup>	Morganton	8- 4-33	4- 1-37
Mrs. Ed. T. White <sup>76</sup>	Asheville	8- 4-33	4- 1-37
Mrs. C. W. Tillett, Jr. <sup>77</sup>	Charlotte	8- 4-33	4- 1-37
O. M. Mull*	Shelby	8- 4-33	4- 1-37
Buren Jurney <sup>78</sup>	Statesville	8- 4-33	4- 1-37
J. H. Beall <sup>79</sup>	Lenoir	10-26-33	4- 1-37

## VISITING AND CONSULTING STAFF, STATE HOSPITAL

Morganton

Dr. A. G. Brenizer	Charlotte	10-10-34	
Dr. L. A. Crowell	Lincolnton	10-10-34	
Dr. A. M. Cornwell	Lincolnton	10-10-34	
Dr. J. T. Burrus	High Point	10-10-34	
Dr. L. N. Glenn	Gastonia	10-10-34	
Dr. O. L. Miller	Charlotte	10-10-34	
Dr. R. H. Crawford	Rutherfordton	10-10-34	
Dr. W. C. Tate	Banner Elk	10-10-34	
Dr. J. W. Davis	Statesville	10-10-34	
Dr. B. R. Smith	Asheville	10-10-34	
Dr. J. B. Riddle	Morganton	10-10-34	
Dr. E. W. Phifer	Morganton	10-10-34	
Dr. J. P. Munroe	Charlotte	10-10-34	
Dr. G. S. Kirby	Marion	10-10-34	
Dr. G. W. Murphy	Asheville	10-10-34	
Dr. S. B. McPheeters	Charlotte	10-10-34	
Dr. J. W. Vernon	Morganton	10-10-34	

[illegible]STATE HOSPITAL FOR THE INSANE<sup>80</sup>[illegible]

<sup>c</sup>Board is composed of 9 members of 4 year terms, appointed by the governor and confirmed by the Senate. No two members can be from the same county. *P.L.*, 1925, Chap. 306.

<sup>70</sup>Succeeded Dr. Leslie B. Evans whose term expired.

<sup>71</sup>Succeeded Henry R. Dwire whose term expired.

<sup>72</sup>Succeeded Dr. J. C. Baum whose term expired.

<sup>73</sup>Succeeded Charles Felix Harvey, Jr., deceased.

<sup>73</sup>Board is composed of 9 members of 4 year terms, appointed by the governor and confirmed by the Senate; no two members can be from the same county, *P.L., 1925*, Chap. 306.

<sup>75</sup>Succeeded J. H. Beall whose

<sup>76</sup>Succeeded J. R. Boyd whose term expired.

<sup>77</sup>Succeeded John M. Scott, declined.

<sup>78</sup>Succeeded R. R. Clark whose term expired.

<sup>79</sup>Succeeded Mrs. C. W. Tillet, Jr., declined.

<sup>80</sup>Board is composed of 9 members of 4 year terms, appointed by the governor and confirmed by the Senate, no two from the same county. *F.L.*, 1905. Chen 206

1925, Chap. 306.

<sup>81</sup>Succeeded Capt. Tom Washington whose term expired.

<sup>833</sup>Succeeded Dr. George W. Paschall whose term expired.

<sup>80</sup>Succeeded Dr. George W. Fasnian whose term expired.

<sup>85</sup>Succeeded E. B. Borden, III, whose term expired.

<sup>80</sup>Succeeded Dr. J. E. Hart who resigned.

<sup>87</sup>Succeeded Dr. L. M. Blue whose term expired.



EAST CAROLINA INDUSTRIAL TRAINING SCHOOL FOR BOYS<sup>88</sup>

Name	Address	Appointed	Expired
R. T. Fountain*	Rocky Mount	8- 4-33	6-20-37
Col. John D. Langston <sup>89</sup>	Goldsboro	8- 4-33	6-20-37
Wade H. Dickens <sup>90</sup>	Scotland Neck	8- 4-33	6-20-37
R. T. Allen <sup>91</sup>	Kinston	8- 4-33	6-20-37
Albion Dunn <sup>92</sup>	Greenville	8- 4-33	6-20-37
J. C. Braswell <sup>93</sup>	Rocky Mount	11-13-33	6-20-37
Warren R. Williams <sup>94</sup>	Sanford	5-10-35	6-20-37
John N. Hackney <sup>95</sup>	Wilson	5-13-36	6-20-39

ORTHOPEDIC HOSPITAL<sup>96</sup>

	Gastonia		
R. R. Ray*	McAdenville	2-20-35	4- 4-39
Kay Dixon <sup>97</sup>	Gastonia	1- 6-37	4- 1-41

CASWELL TRAINING SCHOOL<sup>98</sup>

	Kinston		
E. V. Webb <sup>99</sup>	Kinston	8- 4-33	5- 1-37
W. R. Allen <sup>100</sup>	Goldsboro	8- 4-33	5- 1-37
Jule Warren <sup>101</sup>	Trenton	8- 4-33	5- 1-37
Dr. M. C. Parrott <sup>102</sup>	Kinston	8- 4-33	5- 1-37
Dr. W. C. Sutton <sup>103</sup>	Richlands	8- 4-33	5- 1-37
J. E. Banzet <sup>104</sup>	Warrenton	8- 4-33	5- 1-37
R. L. Coburn <sup>105</sup>	Williamston	8- 4-33	5- 1-37
W. Atlas Finch, Jr. <sup>106</sup>	Wilson	8- 4-33	5- 1-37
Dr. J. F. Patterson <sup>107</sup>	New Bern	8- 4-33	5- 1-37
Dr. R. L. Daniels <sup>108</sup>	New Bern	5-15-34	5- 1-37
Dr. W. E. Dawson <sup>109</sup>	Hookerton	5-15-34	5- 1-37
Sam Clark <sup>110</sup>	Tarboro	5-15-34	5- 1-37

NORTH CAROLINA SCHOOL FOR THE BLIND AND DEAF<sup>111</sup>

	Raleigh		
Carroll W. Weathers <sup>112</sup>	Raleigh	8- 4-33	4- 1-37
Mrs. T. W. Bickett <sup>113</sup>	Raleigh	8- 4-33	4- 1-37
W. G. Enloe*	Raleigh	8- 4-33	4- 1-37
Walter H. Powell <sup>114</sup>	Whiteville	8- 4-33	4- 1-37
Neill McK. Salmon <sup>115</sup>	Lillington	8- 4-33	4- 1-37
E. J. Britt*	Lumberton	8- 4-33	4- 1-37

NORTH CAROLINA SCHOOL FOR THE DEAF<sup>116</sup>

Morganton

W. C. Dowd, Jr.*	.	.	.	.	.	.	.	8-	4-33	4-	1-37
Fred S. Hutchins <sup>117</sup>	.	.	.	.	.	.	.	8-	4-33	4-	1-37
Miss Beatrice Cobb <sup>118</sup>	.	.	.	.	.	.	.	8-	4-33	4-	1-37
W. W. Neal*	.	.	.	.	.	.	.	8-	4-33	4-	1-37
Mrs. R. B. Boger <sup>119</sup>	.	.	.	.	.	.	.	8-	4-33	4-	1-37
W. M. Shuford*	.	.	.	.	.	.	.	8-	24-33	9-	23-37
Bascom B. Blackwelder*	.	.	.	.	.	.	.	5-	11-34	9-	23-37
R. F. Freeze <sup>120</sup>	.	.	.	.	.	.	.	5-	11-34	9-	23-37
F. H. Coffey <sup>121</sup>	.	.	.	.	.	.	.	5-	11-34	4-	1-37
H. L. Wilson <sup>122</sup>	.	.	.	.	.	.	.	7-	19-35	4-	1-37

<sup>116</sup>Board is composed of 5 members of 4 year terms, appointed by the governor and confirmed by the Senate. *P.L., 1925*, Chap. 306.

<sup>117</sup>Succeeded J. C. F. Stroumiller whose term expired.

<sup>118</sup>Succeeded S. C. Braswell whose term expired.

<sup>119</sup>Succeeded S. C. Stroumiller whose term expired.

<sup>120</sup>Succeeded W. H. Dill, Jr., whose term expired.

<sup>121</sup>Succeeded W. H. Dill, Jr., whose term expired.

<sup>122</sup>Succeeded Col. J. D. Dill, Jr., whose term expired.

<sup>123</sup>Succeeded Ernest Dill, Jr., whose term expired.

<sup>124</sup>Succeeded R. B. Boger whose term expired.

<sup>125</sup>Board is composed of 5 members of 4 year terms, appointed by the governor and confirmed by the Senate. *P.L., 1917*, Chap. 199.

<sup>126</sup>Board is composed of 5 members of 4 year terms, appointed by the governor and confirmed by the Senate, and no two persons may be appointed from the same county. *P.L., 1925*, Chap. 306.

<sup>127</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>128</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>129</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>130</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>131</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>132</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>133</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>134</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>135</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>136</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>137</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>138</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>139</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>140</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>141</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>142</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>143</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>144</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>145</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>146</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>147</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>148</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>149</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>150</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>151</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>152</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>153</sup>Succeeded J. E. F. Fennell whose term expired.

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<sup>159</sup>Succeeded J. E. F. Fennell whose term expired.

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<sup>166</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>167</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>168</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>169</sup>Succeeded J. E. F. Fennell whose term expired.

<sup>170</sup>Succeeded J. E. F. Fennell whose term expired.

STONEWALL JACKSON MANUAL TRAINING AND INDUSTRIAL SCHOOL<sup>123</sup>

<i>Name</i>	<i>Address</i>	<i>Appointed</i>	<i>Expired</i>
Mrs. Robert Street <sup>124</sup>	Charlotte	8- 4-33	4-10-37
Roy C. Propst <sup>125</sup>	Kannapolis	8- 4-33	4-10-37
D. B. Coltrane*	Concord	8- 4-33	4-10-37
Herman Cone*	Greensboro	8- 4-33	4-10-37
J. F. Spruill <sup>126</sup>	Lexington	8- 4-33	4-10-37
Luther T. Hartsell, Sr.*	Concord	8- 4-33	4-10-37

A. AND T. COLLEGE OF NORTH CAROLINA<sup>127</sup>

	Greensboro		
Dr. Wm. Louis Poteat*	Wake Forest	1- 5-37	1- 1-39
Charles A. Hines*	Greensboro	1- 5-37	1- 1-39
L. P. McLendon	Greensboro	1- 5-37	1- 1-39
Julian E. Price	Greensboro	1- 5-37	1- 1-39
Dr. W. J. McAnally	High Point	1- 5-37	1- 1-41
Hugh McRae	Wilmington	1- 5-37	1- 1-41
O. F. Crowson*	Burlington	1- 5-37	1- 1-41
C. Foster Hankins*	Lexington	1- 5-37	1- 1-41
L. S. Covington*	Rockingham	1- 5-37	1- 1-41
Harry B. Caldwell	Greensboro	1- 5-37	1- 1-43
J. H. Coward*	Ayden	1- 5-37	1- 1-43
S. P. Collier*	Winston-Salem	1- 5-37	1- 1-43
Ermett Bellamy*	Wilmington	1- 5-37	1- 1-43
W. R. Vaughan*	Henderson	1- 5-37	1- 1-43
Dr. M. C. S. Noble*	Chapel Hill	1- 5-37	1- 1-39

FAYETTEVILLE COLORED NORMAL SCHOOL<sup>128</sup>

H. L. Cook*	Fayetteville	10- 1-36	10- 1-37
A. M. Shaw*	Lillington	10- 1-36	10- 1-37
Emil Rosenthal <sup>129</sup>	Goldsboro	10- 1-36	10- 1-37
T. B. Rose, Jr. <sup>130</sup>	Henderson	10- 1-36	10- 1-37
Dr. R. K. Taylor <sup>131</sup>	Wilmington	10- 1-36	10- 1-37
Frank H. Stedman <sup>132</sup>	Fayetteville	10- 1-36	10- 1-37
Maurice Fleishman <sup>133</sup>	Fayetteville	10- 1-36	10- 1-37
R. M. Lilly <sup>134</sup>	Fayetteville	10- 1-36	10- 1-37
Robert Weinstein <sup>135</sup>	Lumberton	10- 1-36	10- 1-37

STATE BOARD OF ELECTIONS<sup>136</sup>

L. P. McLendon (D)*	.	.	.	.	.	Greensboro	3-20-34	1- 1-38
W. A. Lucas (D)*	.	.	.	.	.	Wilson	3-20-34	1- 1-38
Adrian Mitchell (R)*	.	.	.	.	.	Winton	3-20-34	1- 1-38
T. L. Bland (R)* <sup>137</sup>	.	.	.	.	.	Raleigh	3-20-34	1- 1-38
J. Harry Sample (D) <sup>138</sup>	.	.	.	.	.	Asheville	3-20-34	1- 1-38

STATE BOARD OF VOCATIONAL EDUCATION<sup>139</sup>

Reuben B. Robertson, Jr.	.	.	.	.	.	Canton	10- 4-33	10- 4-37
Mrs. Frank L. Johnson	.	.	.	.	.	Statesville	10- 4-33	10- 4-37
Joe A. Brown	.	.	.	.	.	Chadbourn	10- 4-33	10- 4-37

STATE BOARD OF AGRICULTURE<sup>140</sup>

Wm. H. Joyner <sup>141</sup>	.	.	.	.	.	Garysburg	9-26-33	5-22-35
T. G. Currin* <sup>142</sup>	.	.	.	.	.	Oxford	12-19-33	5-22-35-39
Luke L. Stevens <sup>143</sup>	.	.	.	.	.	Indiantown	6-22-35	5-22-37
D. Reeves Noland*	.	.	.	.	.	Waynesville	8-18-36	5-22-39

<sup>136</sup>Board is composed of 11 members of 4 year terms, appointed by the governor and confirmed by the Senate, *P.L., 1925*, Chap. 306.  
<sup>137</sup>Succeeded Mrs. I. W. Faison whose term expired.  
<sup>138</sup>Succeeded Charles A. Cannon whose term expired.  
<sup>139</sup>Succeeded J. E. Latham whose term expired.  
<sup>140</sup>Board is composed of 15 members of 6 year terms, 5 of whom shall be elected at each regular session of the General Assembly. In case of vacancy between sessions, the governor appoints to fill board. *P.L., 1891*, Chap. 549; *P.L., 1899*, Chap. 389.  
<sup>141</sup>Board is composed of 9 members of 4 year terms, appointed by the governor and confirmed by the Senate, *P.L., 1925*, Chap. 306.  
<sup>142</sup>Succeeded Henry L. Stevens, whose term expired.  
<sup>143</sup>Succeeded Dr. J. C. Grady whose term expired.  
<sup>144</sup>Succeeded Mrs. John D. Whitford whose term expired.  
<sup>145</sup>Succeeded Q. K. Nimocks, Jr., whose term expired.  
<sup>146</sup>Succeeded W. H. Powell whose term expired.  
<sup>147</sup>Succeeded W. H. Lilly whose term expired.  
<sup>148</sup>Succeeded Dr. Allen McLean whose term expired.  
<sup>149</sup>Board is composed of 5 electors, not more than 3 of the same political party, for 4 year terms. *P.L., 1901*, Chap. 89; *P.L., 1933*, Chap. 165.  
<sup>150</sup>Succeeded Fred D. Hamrick whose term expired.  
<sup>151</sup>Succeeded John C. Sikes, resigned.  
<sup>152</sup>Board is composed of 3 members of 4 year terms. *P.L., 1923*, Chap. 136.  
<sup>153</sup>Board is composed of 5 members of 4 year terms. *P.L., 1901*, Chap. 479.  
<sup>154</sup>Succeeded George Watts Hill whose term expired.  
<sup>155</sup>Succeeded W. H. Joyner, deceased.  
<sup>156</sup>Succeeded D. H. Bridgers, deceased.



NORTH CAROLINA BOARD OF PHARMACY <sup>144</sup>			
<i>Name</i>	<i>Address</i>	<i>Appointed</i>	<i>Expired</i>
Warren W. Horne <sup>145</sup>	.	.	.
Dr. Roger A. McDuffie <sup>146</sup>	Fayetteville	4- 4-33	4-28-38
F. W. Hancock, Sr.*	Greensboro	12- 8-33	4-28-38
James G. Ballew*	Oxford	3-14-34	4-28-39
W. L. Moose*	Lenoir	4- 8-35	4-28-40
	Albemarle	3-27-36	4-28-41
NORTH CAROLINA HISTORICAL COMMISSION <sup>147</sup>			
Heriot Clarkson	.	.	.
George McNeill <sup>148</sup>	Charlotte	5- 9-35	3-31-41
Dr. James M. McConnell <sup>149</sup>	Fayetteville	5- 9-35	3-31-41
J. Allan Dunn <sup>150</sup>	Davidson	5- 9-35	3-31-37
Dr. William K. Boyd <sup>151</sup>	Salisbury	5- 9-35	3-31-39
Mrs. George McNeill <sup>152</sup>	Durham	11-13-35	3-31-37
	Fayetteville	8-29-36	3-31-41
OXFORD ORPHAN ASYLUM <sup>153</sup>			
	Oxford	.	.
R. L. Flowers*	Durham	12-11-34	1-14-37
R. E. Simpson <sup>154</sup>	Charlotte	12-11-34	1-14-37
Benjamin Cone <sup>155</sup>	Greensboro	12-11-34	1-14-37
THE COLORED ORPHANAGE OF NORTH CAROLINA <sup>156</sup>			
F. W. Hancock, Jr.*	Oxford	2-22-36	5- 9-37
J. W. Medford*	Oxford	2-22-36	5- 9-37
Ben W. Parham*	Oxford	2-22-36	5- 9-37
Dr. N. C. Daniel*	Oxford	2-22-36	5- 9-37
Ben K. Lassiter <sup>157</sup>	Oxford	2-22-36	5- 9-37
CONFEDERATE WOMEN'S HOME <sup>158</sup>			
	Fayetteville	.	.
Charles G. Rose*	Fayetteville	10-29-35	5- 9-37
Mrs. E. R. MacKeithan*	Fayetteville	10-29-35	5- 9-37
Dr. J. Frank Highsmith*	Fayetteville	10-29-35	5- 9-37
Mrs. John H. Anderson <sup>159</sup>	Raleigh	10-29-35	5- 9-37
W. W. Horne*	Fayetteville	10-29-35	5- 9-37
Mrs. Walter Woodard <sup>160</sup>	Wilson	10-29-35	5- 9-37
Alexander Cook <sup>161</sup>	Fayetteville	10-29-35	5- 9-37

STATE BOARD OF OSTEOPATHIC EXAMINATION AND REGISTRATION<sup>162</sup>

Dr. Frank R. Heine*	.	.	.	.	.	.	Greensboro	10- 2-33	5- 1-38
Dr. Talmadge T. Spence*	.	.	.	.	.	.	Raleigh	10- 2-33	5- 1-39
Dr. Sherman T. Lewis <sup>163</sup>	.	.	.	.	.	.	New Bern	5- 6-35	5- 1-40
Dr. Thomas M. Roulette <sup>164</sup>	.	.	.	.	.	.	Concord	5-10-36	5- 1-41

NORTH CAROLINA RAILROAD COMPANY<sup>165</sup>

DIRECTORS

Mrs. C. B. Aycock, Sr. <sup>166</sup>	.	.	.	.	.	.	Raleigh	7-12-33	7-12-34-35-36-37
D. W. Royster*	.	.	.	.	.	.	Shelby	7-12-33	7-12-34-35-36-37
R. T. Amos	.	.	.	.	.	.	High Point	7-12-33	7-12-34-35-36-37
Robert W. Griffith <sup>167</sup>	.	.	.	.	.	.	Canton	7-12-33	7-12-34-35
J. H. Yelton <sup>168</sup>	.	.	.	.	.	.	Hendersonville	7-12-33	7-12-34-35-36-37

<sup>161</sup>Board is composed of 5 members of 5 year terms, elected by the North Carolina Pharmaceutical Association and commissioned by the governor. *P.L., 1905, Chap. 108.*

<sup>162</sup>Succeeded Dr. Ira W. Rose whose term expired.

<sup>163</sup>Succeeded Warren W. Horne, resigned.

<sup>164</sup>Board is composed of 5 members of 6 year terms. *P.L., 1907, Chap. 714.*

<sup>165</sup>Succeeded Nell Battle Lewis whose term expired.

<sup>166</sup>Succeeded R. D. W. Connor, resigned.

<sup>167</sup>Succeeded Mrs. Thomas O'Berry whose term expired.

<sup>168</sup>Succeeded Dr. James M. McConnell, deceased.

<sup>169</sup>Succeeded George McNeill, resigned.

<sup>170</sup>Board is composed of 8 members, 5 of whom are appointed by the Grand Lodge and 3 of whom are appointed by the governor; terms are determined by the by-laws of the corporation. *Private Laws, 1897.* (Hereafter *Private Laws* will be cited as *Priv. L.*) Chap. 132; *Priv. L., 1923, Chap. 119.*

<sup>171</sup>Succeeded J. LeGrande Everett whose term expired.

<sup>172</sup>Succeeded S. N. Boyce whose term expired.

<sup>173</sup>Board is composed of 13 members from Granville County of 4 year terms, 5 appointed by the governor. *P.L., 1927, Chap. 162.*

<sup>174</sup>Succeeded C. K. Proctor whose term expired.

<sup>175</sup>Board is composed of 7 members of 2 year terms. *P.L., 1913, Chap. 62.*

<sup>176</sup>Succeeded Mrs. N. A. Townsend whose term expired.

<sup>177</sup>Succeeded S. T. Thorne whose term expired.

<sup>178</sup>Succeeded W. H. White whose term expired.

<sup>179</sup>Board is composed of 5 members of 5 year terms. *P.L., 1907, Chap. 764.*

<sup>180</sup>Succeeded Dr. George A. Griffiths whose term expired.

<sup>181</sup>Succeeded Dr. O. N. Donahoe whose term expired.

<sup>182</sup>The board of directors is composed of 12 members, 8 of whom are appointed annually by the governor with the advice and consent of the council of state. See charter and amendments thereto, and by-laws of the North Carolina Railroad Company. *P.L., 1864-65, Chap. 228; P.L., 1873-74, Chap. 4; P.L., 1879, Chap. 138; P.L., 1891, Chap. 395; P.L., 1925, Chap. 157.*

<sup>183</sup>Succeeded Mrs. T. W. Bickett whose term expired.

<sup>184</sup>Succeeded Hill M. Hunter whose term expired.

<sup>185</sup>Succeeded T. L. Gwyn whose term expired.

<i>Name</i>	<i>Address</i>	<i>Appointed</i>	<i>Expired</i>
Arthur M. Dixon*	Gastonia	7-12-33	7-12-34-35-36-37
Robert Lassiter*	Charlotte	7-12-33	7-12-34-35-36
John L. Miller <sup>170</sup>	Concord	7-12-33	7-12-34-35-36-37
W. E. Breece <sup>171</sup>	Brevard	7-20-33	7-12-34-35-36-37
W. H. Hipps <sup>172</sup>	Asheville	6-8-35	7-18-35-36-37
James H. Holloway <sup>173</sup>	Raleigh	7-8-36	7-10-37
<i>Officers</i>			
Mrs. C. B. Aycock, Sr. <sup>174</sup> <i>President</i>	Raleigh	7-12-33	7-12-34-35-36-37
Herbert Peele, <sup>175</sup> <i>Sec-Treas.</i>	Elizabeth City	7-12-33	7-12-34-35-36-37
Norman C. Shepard, <sup>176</sup> <i>Attorney</i>	Smithfield	7-12-33	7-21-34
Henry E. Fisher, <sup>177</sup> <i>Attorney</i>	Charlotte		7-12-34-35-36-37
Ed. Tonissen, <sup>178</sup> <i>Expert</i>	Charlotte	7-20-33	7-12-34-35-36-37
<i>Finance Committee</i>			
Kingsland Van Winkle*	Asheville	7-20-33	7-12-34-35-36-37
Dan K. Moore*	Sylva	7-20-33	7-12-34-35-36-37
R. C. Dunn <sup>179</sup>	Enfield	7-20-33	7-12-34
Thomas H. Webb*	Concord	7-20-33	7-12-34-35-36-37
<i>State's Proxy</i>			
Gilbert Powell	Greensboro	7-20-33	7-12-34-35-36-37
ATLANTIC AND NORTH CAROLINA RAILROAD COMPANY <sup>181</sup>			
<i>Directors</i>			
Luther Hamilton <sup>182</sup>	Morehead City	8-4-33	8-10-34-35
U. M. Gillikin <sup>183</sup>	Goldsboro	8-4-33	8-10-34-35-36-37
H. P. Crowell <sup>184</sup>	Morehead City	8-5-36	8-5-37
Don C. Humphrey <sup>185</sup>	Goldsboro	8-4-33	8-10-34-35-36-37
William Dunn*	New Bern	8-4-33	8-10-34-35-36-37
R. A. Nunn <sup>186</sup>	New Bern	8-4-33	8-10-34
Paul Webb <sup>187</sup>	Morehead City	8-4-33	8-10-34-35-36-37
Selby Anderson*	Wilson	8-4-33	8-10-34-35-36-37
S. H. Hicks <sup>188</sup>	Snow Hill	8-4-33	8-10-34-35-36-37
M. R. Beaman <sup>189</sup>	Morehead City	8-5-36	8-5-37
<i>Officers</i>			
Luther Hamilton, <sup>190</sup> <i>President</i>	Morehead City	8-4-33	9-10-34
Charles L. Ives, <sup>191</sup> <i>Sec-Treas.</i>	New Bern	8-4-33	8-10-34-35-36-37
R. A. Whitaker, <sup>192</sup> <i>Attorney</i>	Kinston	8-14-33	8-10-34-35-36-37

John D. Warlick, * Auditor	.	.	.	.	.	.	.	8- 4-33	8-10-34-35-36-37
James H. Holloway, 193 Expert	.	.	.	.	.	.	.	8- 5-36	8- 5-37
H. P. Crowell, 194 President	.	.	.	.	.	.	.	8- 5-36	8- 5-37
Luther Hamilton, 195 Attorney	.	.	.	.	.	.	.	8- 5-36	8- 5-37
Finance Committee									
Leon S. Brassfield 196	.	.	.	.	.	.	.	8- 4-33	8-10-34-35-36-37
Rivers D. Johnson 197	.	.	.	.	.	.	.	8- 4-33	8-10-34-35-36-37
State's Proxies									
F. E. Wallace*	.	.	.	.	.	.	.	8- 4-33	8-10-34-35-36
Stacey W. Wade 198	.	.	.	.	.	.	.	8- 3-35	8- 9-36
Luther Hamilton 199	.	.	.	.	.	.	.	8- 5-36	8- 5-37

- <sup>160</sup>Succeeded C. A. Hunt, Jr., whose term expired.  
<sup>161</sup>Succeeded George C. Tudor whose term expired.  
<sup>162</sup>Succeeded John L. Miller who declined, 7-15-33.  
<sup>163</sup>Succeeded Robert W. Griffith deceased.  
<sup>164</sup>Succeeded Robert Lassiter whose term expired.  
<sup>165</sup>Succeeded Mrs. T. W. Bickett whose term expired.  
<sup>166</sup>Succeeded D. G. Giles whose term expired.  
<sup>167</sup>Succeeded W. H. S. Burgwyn whose term expired.  
<sup>168</sup>Succeeded Norman C. Shepherd, who resigned.  
<sup>169</sup>Succeeded Charles F. Dalton whose term expired.  
<sup>170</sup>Resigned.  
<sup>171</sup>Succeeded Renn Drum whose term expired.  
<sup>172</sup>*P. L., 1874-55, Chap. 232; P. L., 1879, Chap. 150.*  
<sup>173</sup>Succeeded Fred Sutton whose term expired.  
<sup>174</sup>Succeeded Sol Isaacs whose term expired.  
<sup>175</sup>Succeeded Luther Hamilton whose term expired.  
<sup>176</sup>Succeeded Mrs. John D. Langston whose term expired.  
<sup>177</sup>Succeeded M. D. W. Stevenson whose term expired.  
<sup>178</sup>Succeeded James H. Holloway whose term expired.  
<sup>179</sup>Succeeded Charles B. Park whose term expired.  
<sup>180</sup>Succeeded Paul Webb, who resigned.  
<sup>181</sup>Succeeded William Dunn whose term expired.  
<sup>182</sup>Succeeded W. J. Boyd whose term expired.  
<sup>183</sup>Succeeded Rivers D. Johnson whose term expired.  
<sup>184</sup>Succeeded Don C. Humphrey whose term expired.  
<sup>185</sup>Succeeded Luther Hamilton whose term expired.  
<sup>186</sup>Succeeded R. A. Whitaker who resigned.  
<sup>187</sup>Succeeded T. C. Etheridge whose term expired.  
<sup>188</sup>Succeeded W. M. Webb whose term expired.  
<sup>189</sup>Resigned.  
<sup>190</sup>Succeeded F. E. Wallace whose term expired.



NORTH CAROLINA BOARD OF DENTAL EXAMINERS<sup>200</sup>

<i>Name</i>	<i>Address</i>	<i>Appointed</i>	<i>Expired</i>
Dr. R. F. Jarrett <sup>201</sup>	Charlotte	6-15-33	6-30-36
Dr. C. C. Poindexter <sup>202</sup>	Greensboro	7-6-34	6-30-37
Dr. E. B. Howle*	Raleigh	7-14-34	6-30-37
Dr. C. E. Minges*	Rocky Mount	7-17-35	6-30-38
Dr. H. C. Carr*	Durham	7-17-35	6-30-38
Dr. W. F. Bell <sup>203</sup>	Asheville	5-21-36	6-30-39
Dr. James L. Ashby <sup>204</sup>	Mt. Airy	5-21-36	6-30-39

INDUSTRIAL FARM COLONY FOR WOMEN<sup>205</sup>

Harvey C. Hines <sup>206</sup>	Kinston	12-4-33	6-4-35
Matt H. Allen <sup>207</sup>	Kinston	3-12-35	6-4-35
Mrs. G. V. Cowper <sup>208</sup>	Kinston	10-29-35	6-4-39
Mrs. Francis D. Winston*	Windsor	10-29-35	6-4-39
Miss Gertrude Weill <sup>209</sup>	Goldsboro	10-29-35	6-4-39
Ed. W. Summersill <sup>210</sup>	Jacksonville	10-29-35	6-4-39

ADJUTANT GENERAL AND ASSISTANT<sup>211</sup>

General J. Van B. Metts*	Raleigh	6-9-33	Jan. 1937
Lt. Col. Gordon Smith*	Raleigh	6-9-33	Jan. 1937

STATE BOARD OF CHIROPRACTIC EXAMINERS<sup>212</sup>

Dr. J. A. Kosterman <sup>213</sup>	Fayetteville	10-2-33	5-5-36
Dr. D. R. Rollins <sup>214</sup>	Hickory	5-31-34	5-5-37
Dr. T. C. Splude <sup>215</sup>	Albemarle	6-19-35	5-5-38
Dr. C. H. Peters <sup>216</sup>	Rocky Mount	5-20-36	5-5-39

STATE BOARD OF EXAMINERS IN OPTOMETRY<sup>217</sup>

Dr. Julian S. Deans <sup>218</sup>	North Wilkesboro	4-9-34	5-1-38
Dr. Robert N. Walker*	Winston-Salem	4-9-34	5-1-39
Dr. John T. Campbell*	Washington	4-13-35	5-1-40
Dr. Robert L. Wilson <sup>219</sup>	Shelby	5-20-36	5-1-41

SPECIAL OFFICERS STATE HIGHWAY COMMISSION<sup>220</sup>

Oscar Pitts	Hickory	8-1-35
L. G. Whitley	Wilson	8-1-35
P. E. Mallison	Wilson	8-1-35
John B. Bray	Raleigh	8-1-35
W. C. White	Raleigh	8-1-35

C. L. Miller	.	.	.	.	.	.	.	Salisbury	8- 1-35
Ben E. Hendley	.	.	.	.	.	.	.	Salisbury	8- 1-35
M. P. Alexander	.	.	.	.	.	.	.	Statesville	8- 1-35
T. O. Little	.	.	.	.	.	.	.	Statesville	8- 1-35

STATE VETERINARY EXAMINING BOARD<sup>221</sup>

Dr. M. M. Leonard*	.	.	.	.	.	.	.	Asheville	2-13-35	7- 1-38
Dr. J. I. Neal*	.	.	.	.	.	.	.	Sanford	2-13-35	7- 1-39
Dr. R. E. Taylor <sup>222</sup>	.	.	.	.	.	.	.	Hendersonville	2-13-35	7- 1-35-40

STATE BOARD OF CHARITIES AND PUBLIC WELFARE<sup>223</sup>

Mrs. H. F. Seawell	.	.	.	.	.	.	.	Carthage	6-13-31	4- 1-37
Mrs. Walter F. Crowell*	.	.	.	.	.	.	.	Monroe	7-21-34	4- 1-39
Edwin McNeill Potat*	.	.	.	.	.	.	.	Raleigh	7-21-34	4- 1-39
A. W. McAllister*	.	.	.	.	.	.	.	Greensboro	8-28-36	4- 1-41
W. A. Blair*	.	.	.	.	.	.	.	Winston-Salem	8-28-36	4- 1-41
Francis O. Clarkson <sup>224</sup>	.	.	.	.	.	.	.	Charlotte	7-21-34	4- 1-37
R. Gregg Cherry <sup>225</sup>	.	.	.	.	.	.	.	Gastonia	8-28-36	4- 1-37

<sup>220</sup>Board is composed of 6 members of 3 year terms elected by North Carolina Dental Society and commissioned by the governor. *P.L., 1935*, Chap. 66.

<sup>221</sup>Succeeded Dr. S. B. Bivens, deceased.

<sup>222</sup>Succeeded Dr. J. A. McClung whose term expired.

<sup>223</sup>Succeeded Dr. D. E. McConnell whose term expired.

<sup>224</sup>Succeeded Dr. R. F. Jarrett whose term expired.

<sup>225</sup>Board is composed of 5 members, 2 of whom shall be women, of 4 year terms. *P.L., 1927*, Chap. 219.

<sup>226</sup>Succeeded R. F. Beasley, resigned.

<sup>227</sup>Succeeded Harvey C. Hines who declined to serve.

<sup>228</sup>Succeeded Mrs. R. E. Little whose term expired.

<sup>229</sup>Succeeded W. N. Holt whose term expired.

<sup>230</sup>Succeeded J. L. Becton whose term expired.

<sup>231</sup>*Constitution*, Article III, Sect. 8; *C.S.*, Chap. 11; *P.L., 1917*, Chap. 200; *P.L., 1924*, Chap. 58; *P.L., 1925*, Chap. 54.

<sup>232</sup>Board is composed of 3 members of 3 year terms. *P.L., 1917*, Chap. 73.

<sup>233</sup>Succeeded Dr. W. H. Olive whose term expired.

<sup>234</sup>Succeeded Dr. A. A. Heh whose term expired.

<sup>235</sup>Succeeded Dr. E. C. Brown whose term expired.

<sup>236</sup>Succeeded Dr. J. A. Kosterman whose term expired.

<sup>237</sup>Board is composed of 5 members of 5 year terms. *P.L., 1923*, Chap. 42; *P.L., 1935*, Chap. 63.

<sup>238</sup>Succeeded Dr. W. W. Parker whose term expired.

<sup>239</sup>Succeeded Dr. Sam Levy whose term expired.

<sup>240</sup>These were special or peace officers designated to transfer prisoners from one camp to another or to bring escaped prisoners back to the State.

<sup>241</sup>Terms and number of members of commission not designated. *P.L., 1935*, Chap. 257.

<sup>242</sup>Board is composed of 5 members of 5 year terms, appointed by governor. *P.L., 1903*, Chap. 503.

<sup>243</sup>Succeeded Dr. O. H. Graham, deceased.

<sup>244</sup>Board is composed of 7 members of 6 year terms, appointed by the governor and confirmed by the Senate. *P.L., 1917*, Chap. 170.

<sup>245</sup>Succeeded L. R. Varner, resigned.

<sup>246</sup>Succeeded Francis O. Clarkson who declined to serve, 7-31-34.

COMMITTEE TO STUDY SUBJECT OF UNEMPLOYMENT INSURANCE<sup>226</sup>

Name	Address	Appointed	Expired
W. O. Burgin . . . . .	Lexington	6-20-34	
A. L. Fletcher . . . . .	Raleigh	6-20-34	
Dr. H. D. Wolf . . . . .	Chapel Hill	6-20-34	
Dr. William H. Gleason . . . . .	Durham	6-20-34	
Mrs. W. T. Bost . . . . .	Raleigh	6-20-34	
T. A. Wilson . . . . .	Raleigh	6-20-34	
P. R. Christopher . . . . .	Shelby	6-20-34	
T. Austin Finch . . . . .	Thomasville	6-20-34	
Thurmond Chatham . . . . .	Winston-Salem	6-20-34	
John Sprunt Hill . . . . .	Durham	6-20-34	
Mrs. May Thompson Evans . . . . .	High Point	6-20-34	

UNEMPLOYMENT COMPENSATION COMMISSION<sup>227</sup>

Charles G. Powell . . . . .	Raleigh	12-21-36	12-21-42
Mrs. J. B. Spilman . . . . .	Greenville	12-21-36	12-21-38
A. L. Fletcher, <i>ex-officio member</i> . . . . .	Raleigh		

COMMISSIONERS OF AFFIDAVITS IN OTHER STATES<sup>228</sup>

Pearce Horne* . . . . .	Washington, D. C.	1-12-34	1-22-36-38
E. G. Bagley* . . . . .	Danville, Va.	4-11-34	4-11-36
Charles E. A. McCarthy* . . . . .	New York, N. Y.	9- 6-34	9- 6-36-38

MUNICIPAL COURT<sup>229</sup>

	Greensboro		
Gilbert E. Powell, <i>Civil Judge</i> . . . . .	Greensboro	12-19-33	1- 1-36-38
E. Earle Rives, <i>Criminal Judge</i> . . . . .	Greensboro	12-19-33	1- 1-36-38
E. D. Kuykendall, <i>Solicitor</i> . . . . .	Greensboro	12-19-33	1- 1-36-38

LOCAL GOVERNMENT COMMISSION<sup>230</sup>

Earl B. Horner* . . . . .	Burlington	8-24-33	1- 1-37
J. L. Skinner . . . . .	Littleton	8-24-33	1- 1-37
Meade H. Willis . . . . .	Winston-Salem	8-24-33	1- 1-37
Lewis Fisher . . . . .	Wilmington	8-24-33	1- 1-37
Emery B. Denny . . . . .	Gastonia	8-24-33	1- 1-37
J. A. Hartness <sup>231</sup> . . . . .	Statesville	11- 4-33	1- 1-37

John W. Lambeth <sup>232</sup>	.	.	.	.	.	.	.	Thomasville	11-4-33	1-1-37
Baxter J. Hunter <sup>233</sup>	.	.	.	.	.	.	.	Derita	7-24-34	1-1-37
George L. Stansbury <sup>234</sup>	.	.	.	.	.	.	.	Greensboro	3-11-35	1-1-37

WRIGHTSVILLE BEACH OFFICERS<sup>235</sup>

Wrightsville Beach										
George E. Kidder,* Mayor	.	.	.	.	.	.	.	Wrightsville Beach	6-21-33	6-1-35
J. Allen Taylor, <sup>236</sup> Mayor	.	.	.	.	.	.	.	Wrightsville Beach	7-1-35	6-1-37
J. Allen Taylor,* Alderman	.	.	.	.	.	.	.	Wrightsville Beach	6-21-33	6-1-35
J. R. Hamby,* Alderman.	.	.	.	.	.	.	.	Wrightsville Beach	6-21-33	6-1-35
W. E. Poole,* Alderman.	.	.	.	.	.	.	.	Wrightsville Beach	6-21-33	6-1-35
C. J. Kelloway, Alderman	.	.	.	.	.	.	.	Wrightsville Beach	6-21-33	6-1-35
B. H. Marshall, <sup>237</sup> Alderman	.	.	.	.	.	.	.	Wrightsville Beach	7-1-35	6-1-37
George E. Kidder, <sup>238</sup> Alderman	.	.	.	.	.	.	.	Wrightsville Beach	7-1-35	6-1-37

BANKING DEPARTMENT<sup>239</sup>

Gurney P. Hood*	.	.	.	.	.	.	.	Raleigh	5-10-35	4-1-39
Agnew H. Bahnson*	.	.	.	.	.	.	.	Winston-Salem	7-17-33	4-1-37
Charles E. Taylor <sup>240</sup>	.	.	.	.	.	.	.	Wilmington	5-6-33	4-1-35-37
K. C. Menzies <sup>241</sup>	.	.	.	.	.	.	.	Hickory	7-17-33	4-1-35-37

<sup>235</sup>Board is composed of not less than 7 members who are to report their findings to the General Assembly. *P.L., 1933*, Res. No. 38.  
<sup>236</sup>Board is composed of 2 members of 6 year terms, appointed by the governor. The commissioner of labor is ex-officio member. *P.L., 1936*, Chap. 1.  
<sup>237</sup>Commissioners consist of one or more members who serve at the pleasure of the governor. *P.L., 1874*, Chap. 173.  
<sup>238</sup>Civil and criminal judges and the solicitor are appointed by governor for terms of 2 years. The first appointments were to become effective January 1, 1934. *Priv. L., 1933*, Chap. 84.  
<sup>239</sup>Board is composed of 9 members, 6 appointed by the governor whose terms are at the discretion of the governor. *P.L., 1931*, Chap. 60.  
<sup>240</sup>Succeeded Emory B. Denny who declined to serve.  
<sup>241</sup>Succeeded Earl B. Horner who resigned.

<sup>242</sup>Succeeded John W. Lambeth, deceased.  
<sup>243</sup>Succeeded J. A. Hartness, deceased.  
<sup>244</sup>Mayor and 2 aldermen appointed for 4 year terms. *Priv. L., 1899*, Chap. 305.  
<sup>245</sup>Succeeded George E. Kiddler whose term expired.  
<sup>246</sup>Succeeded C. J. Kelloway who resigned.  
<sup>247</sup>Succeeded J. A. Taylor whose term expired.  
<sup>248</sup>Board is composed of 3 members of 2 year terms.  
<sup>249</sup>Succeeded A. W. McLean whose term expired.  
<sup>250</sup>Succeeded Word H. Wood whose term expired.



MAYOR AND COMMISSIONERS OF TOWN OF PEMBROKE<sup>242</sup>

Name	Address	Appointed	Expired
G. E. Bracy*, Mayor	Pembroke	6-14-33	5- 5-34-35-36
Dr. J. G. Faulk, <sup>243</sup> Commissioner	Pembroke	5-10-35	5- 1-36-37
John R. Lowery, Commissioner	Pembroke	5-10-35	5- 5-34-35-36-37
A. M. Brece, Commissioner	Pembroke	6-14-33	5- 5-34
C. E. Locklear, <sup>244</sup> Commissioner	Pembroke	5-10-35	5-10-36-37
Roy Tyner, Commissioner	Pembroke	6-14-33	5- 5-34-35-36-37

CHEROKEE COUNTY TAX COMMISSION<sup>245</sup>

W. W. Barton <sup>246</sup>	Letitia	3-20-35	12- 1-35
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STATE BOARD OF ARCHITECTURAL EXAMINATION AND REGISTRATION<sup>247</sup>

Erle G. Stillwell <sup>248</sup>	Hendersonville	12- 5-34	4- 8-38
Harry Barton*	Greensboro	1-20-36	4- 8-39
Ross E. Shumaker*	Raleigh	1-20-36	4- 8-40
James B. Lynch*	Wilmington	7-10-36	4- 8-41

FRANK PAGE SPECIAL MEMORIAL COMMISSION<sup>249</sup>

Alex S. Hanes	Winston-Salem	6-22-35
John Sprunt Hill	Durham	6-22-35
Leland H. Kitchin	Scotland Neck	6-22-35
R. S. Busbee	Raleigh	6-22-35

COMMISSION FOR STUDY OF LAWS RELATING TO PROPERTY INTEREST<sup>250</sup>

Carl L. Bailey, Chrm..	Plymouth	6-22-35
J. B. Cheshire, Jr..	Raleigh	6-22-35
S. G. Bernard	Asheville	6-22-35
Fred B. McCall	Chapel Hill	6-22-35
David F. Carver	Durham	6-22-35
R. B. White	Wake Forest	6-22-35
Jones Fuller	Durham	6-22-35
Lawrence Watt	Winston-Salem	6-22-35
A. Wayland Cooke	Greensboro	6-22-35

ADVISORY BOARD OF PAROLES<sup>251</sup>

Judge T. D. Bryson	Durham	7- 2-35	7- 2-38
R. E. Sentelle	Southport	7- 2-35	7- 2-37
J. F. Spruill	Lexington	7- 2-35	7- 2-36

NORTH CAROLINA COMMISSION ON UNIFORM LAWS<sup>252</sup>

A. A. F. Seawell, <i>Chrm.</i>	.	.	.	.	.	Raleigh	12- 7-35	12- 1-38
H. M. London	.	.	.	.	.	Raleigh	12- 7-35	12- 1-38
J. Crawford Biggs	.	.	.	.	.	Raleigh	12- 7-35	12- 1-38
M. S. Breckenridge	.	.	.	.	.	Chapel Hill	12- 7-35	12- 1-38
W. M. Hendren	.	.	.	.	.	Winston-Salem	12- 7-35	12- 1-38

STATE HIGHWAY AND PUBLIC WORKS COMMISSION<sup>253</sup>

E. B. Jeffress, <i>Chrm.</i>	.	.	.	.	.	Greensboro	6-10-33	7- 1-37
Charles Whedbee	.	.	.	.	.	Hertford	6-10-33	7- 1-37
Frank W. Miller	.	.	.	.	.	Waynesville	6-10-33	7- 1-37
Luther Hodges	.	.	.	.	.	Leaksville	6-10-33	7- 1-37
James A. Hardison*	.	.	.	.	.	Wadesboro	6-10-33	7- 1-35-39
Ross M. Sigmon*	.	.	.	.	.	Salisbury	6-10-33	7- 1-35-39
W. C. Woodard*	.	.	.	.	.	Rocky Mount	6-10-33	7- 1-35-39
Capus M. Waynick, <i>Chrm.</i> <sup>254</sup>	.	.	.	.	.	High Point	12-29-34	7- 1-37
Julian Wood <sup>255</sup>	.	.	.	.	.	Edenton	1-21-35	7- 1-37
E. F. Allen <sup>256</sup>	.	.	.	.	.	Lenoir	11-27-35	7- 1-37

<sup>252</sup>Mayor and 4 commissioners appointed for one year term. *Priv. L.*, 1917, Chap. 63.

<sup>253</sup>Succeeded A. M. Breece whose term expired.

<sup>254</sup>Succeeded A. Y. Paul whose term expired.

<sup>255</sup>Board is composed of 3 resident taxpayers, appointed by General Assembly for 4 year terms. Governor makes appointments to fill vacancies. *P. L.*, 1933, Chap. 239.

<sup>256</sup>Succeeded Walter R. Martin whose term expired.

<sup>257</sup>Board is composed of 5 members of 5 year terms. *P. L.*, 1915, Chap. 270.

<sup>258</sup>Succeeded W. H. Lord, deceased.

<sup>259</sup>Board is composed of 4 members and Governor Ehringhaus, Lt. Governor Graham, and Speaker Johnson as ex-officio members. *P. L.*, 1935, Res. No. 43.

<sup>260</sup>Commission is composed of 9 members. *P. L.*, 1935, Res. No. 25.

<sup>261</sup>Board is composed of 3 members with 3 year terms and the Attorney General, chairman of State highway and Public Works Commission, and superintendent of public welfare as ex-officio members. *P. L.*, 1935, Chap. 414.

<sup>262</sup>This commission was appointed upon the suggestion of the National Committee on Uniform Laws of which Murray M. Shoemaker of Cincinnati, Ohio, was chairman.

<sup>263</sup>Board is composed of a chairman and 6 commissioners of 4 year terms. *P. L.*, 1933, Chap. 172.

<sup>264</sup>Succeeded E. B. Jeffress who resigned.

<sup>265</sup>Succeeded Charles Whedbee who resigned.

<sup>266</sup>Succeeded Luther Hodges who resigned.

BUILDING CODE COUNCIL<sup>257</sup>

Name	Address	Appointed	Expired
Walter W. Hook	Charlotte	7-24-34	7-24-39
George W. Kane	Durham	7-24-34	7-24-38
Harry Tucker	Raleigh	7-24-34	7-24-37
Wilbur Doshier	Wilmington	7-24-34	7-24-36
R. R. Lawrence	Winston-Salem	7-24-34	7-24-35
W. H. Sullivan <sup>258</sup>	Greensboro	9- 7-34	7-24-36

COMMITTEE TO INVESTIGATE STATE HIGHWAYS<sup>259</sup>

Carl L. Bailey	Plymouth	7-18-36	Next General Assembly
Jule K. Warren	Trenton	7-18-36	Next General Assembly
William B. Campbell	Wilmington	7-18-36	Next General Assembly
A. A. Hicks	Oxford	7-18-36	Next General Assembly
Benjamin Cone	Greensboro	7-18-36	Next General Assembly
C. A. Cannon	Concord	7-18-36	Next General Assembly
J. Gordon Hackett	North Wilkesboro	7-18-36	Next General Assembly
R. E. Price	Rutherfordton	7-18-36	Next General Assembly
Reuben Robertson	Canton	7-18-36	Next General Assembly

LIQUOR CONTROL COMMISSION<sup>260</sup>

Victor S. Bryant	Durham	7-18-36	Next General Assembly
L. R. Varser	Lumberton	7-18-36	Next General Assembly
L. L. Gravely	Rocky Mount	7-18-36	Next General Assembly
Thomas W. Raoul	Asheville	7-18-36	Next General Assembly
John M. Robinson	Charlotte	7-18-36	Next General Assembly
R. F. Beasley	Monroe	7-18-36	Next General Assembly
Charles A. Hines	Greensboro	7-18-36	Next General Assembly
Donnell Gilliam <sup>261</sup>	Tarboro	8-26-36	Next General Assembly

STATE OWNED GASOLINE TERMINAL COMMISSION<sup>262</sup>

Oscar Barker, <i>Chrm.</i>	Durham	7-18-36	Next General Assembly
D. L. Ward	New Bern	7-18-36	Next General Assembly
Thomas Royster	Oxford	7-18-36	Next General Assembly
E. V. Webb	Kinston	7-18-36	Next General Assembly
Harriss Newman	Wilmington	7-18-36	Next General Assembly

UTILITIES COMMISSION<sup>263</sup>

Stanley Winborne, <i>Chrm.</i>	.	.	.	.	.	.	3-31-33	1- 1-34
Dr. Wm. Louis Potat	.	.	.	.	.	.	1-12-34	1- 1-37
Frank Wm. Hanft*	.	.	.	.	.	.	1-12-34	1- 1-35-39
Fred L. Seely <sup>264</sup>	.	.	.	.	.	.	4-19-34	1- 1-37

STATE BOARD OF HOUSING<sup>265</sup>

H. W. Courtney	.	.	.	.	.	.	7-17-33	7-17-35
M. Eugene Newsome	.	.	.	.	.	.	7-17-33	7-17-35
J. A. Jones	.	.	.	.	.	.	7-17-33	7-17-37
J. M. Broughton	.	.	.	.	.	.	7-17-33	7-17-37
John N. Hackney	.	.	.	.	.	.	7-17-33	7-17-37

TOWN OF CAROLINA BEACH<sup>266</sup>

Roy C. Fergus, <i>Mayor</i>	.	.	.	.	.	.	4-12-35	5- 9-37
J. L. Hinton, <i>Alderman</i>	.	.	.	.	.	.	4-12-35	5- 9-37
Horace T. King	.	.	.	.	.	.	4-12-35	5- 9-37
Richard S. Rodgers	.	.	.	.	.	.	4-12-35	5- 9-37
A. L. Mansfield	.	.	.	.	.	.	4-12-35	5- 9-37

STATE BOARD OF COMMERCIAL EDUCATION<sup>267</sup>

E. L. Layfield	.	.	.	.	.	.	6-10-35	6-10-38
	.	.	.	.	.	.		

<sup>263</sup>Board is composed of 5 members of 1 to 5 year terms. Reappointments are for 5 year terms. *P.L., 1933*, Chap. 392.

<sup>264</sup>Succeeded Wilbur Doshier who resigned.

<sup>265</sup>Board is composed of 9 members not connected with the State Highway and Public Works Commission and is to report their findings to the next General Assembly. *P.L., 1935*, Chap. 206.

<sup>266</sup>Board is composed of 7 members who will make a report to the next General Assembly. *P.L., 1935*, Chap. 476.

<sup>267</sup>Succeeded L. L. Gravely, declined.

<sup>268</sup>Board is composed of 5 members from the membership of the General Assembly, 2 members from the Senate and 3 from the House. They will report at the next General Assembly. *P.L., 1935*, Resolution No. 87.

<sup>269</sup>Board is composed of 3 members of 4 year terms, appointed by the governor and confirmed by the Senate. *P.L., 1933*, Chap. 134.

<sup>270</sup>Succeeded Wm. Louis Potat, declined.

<sup>271</sup>Board is composed of 5 members of 4 year terms. *P.L., 1933*, Chap. 384.

<sup>272</sup>Board is composed of mayor and 4 aldermen of 2 year terms. *P.L., 1935*, Chap. 21.

<sup>273</sup>Board is composed of director of instructional service, the director of vocational education, and the superintendent of public instruction, ex-officio secretary with no vote, and one member, appointed by the governor, who shall have been owner or operator of an accredited business or commercial school for 5 years, 3 year terms. *P.L., 1935*, Chap. 255.



BOARD OF PHOTOGRAPHIC EXAMINERS<sup>268</sup>

Name	Address	Appointed	Expired
A. O. Clement	.	6-10-35	6-10-38
Ben V. Matthews	.	6-10-35	6-10-37
Leonard C. Cooke.	.	6-10-35	6-10-37
R. W. Foister*	Charlotte	6-10-35	6-10-36-39
W. F. Kendrick*	Chapel Hill	6-10-35	6-10-36-39
A. F. Harrell <sup>269</sup>	Mebane	6-10-35	6-10-36-39
	Rocky Mount	8-26-36	6-10-38

NORTH CAROLINA BOARD OF BOILER RULES<sup>270</sup>

Ben L. Brandon*	.	6-18-35	6-18-36-40
R. P. Guy	Spencer	6-18-35	6-18-37
Harry Stell	Raleigh	6-18-35	6-18-38
W. H. Ruffin	Plymouth	6-18-35	6-18-39
	Durham	6-18-35	

NORTH CAROLINA COMMISSION FOR THE BLIND<sup>271</sup>

Sam M. Cathey, Chrm.	.	6-21-35	6-21-40
Dr. Howard E. Jensen	Asheville	6-21-35	6-21-38
Mrs. Meyer Sternberger*	Durham	6-21-35	6-21-36-41
	Greensboro	6-21-35	

MOREHEAD CITY (PORT) COMMISSION<sup>272</sup>

J. Y. Monk	Farmville	1- 5-37	1- 1-39
Dr. Ben F. Royal	Morehead City	1- 5-37	1- 1-41
Leo Harvey	Kinston	1- 5-37	1- 1-41
H. P. Crowell	Morehead City	1- 5-37	1- 1-43

STATE CAPITOL CENTENNIAL COMMISSION<sup>273</sup>

Luther T. Hartsell, Jr.	Concord	3- 1-33	
Rev. C. K. Proctor	Oxford	3- 1-33	
L. Y. Ballentine	Raleigh	3- 1-33	
R. C. Dunn	Enfield	3- 1-33	
J. M. Broughton	Raleigh	3- 1-33	
Clyde A. Dillon	Raleigh	3- 1-33	
W. B. Jones	Raleigh	3- 1-33	
Ross M. Sigmon	Salisbury	3- 1-33	
John A. Park	Raleigh	3- 1-33	
Dr. Delia Dixon Carroll	Raleigh	3- 1-33	

Mrs. T. W. Bickett	.	.	.	.	.	.	.	.	.	Raleigh	3- 1-33
Mrs. C. W. Tillett, Jr.	.	.	.	.	.	.	.	.	.	Charlotte	3- 1-33
Mrs. J. Dolph Long <sup>274</sup>	.	.	.	.	.	.	.	.	.	Graham	3- 1-33

BOARD OF COSMETIC ART EXAMINERS<sup>275</sup>

Arthur T. Ritchie	.	.	.	.	.	.	.	.	.	Asheville	7-22-33
L. L. Smitley	.	.	.	.	.	.	.	.	.	Reidsville	7-22-33
Miss Emily Purcell	.	.	.	.	.	.	.	.	.	Raleigh	7-22-33
Miss Annie Laurie Nichols <sup>276</sup>	.	.	.	.	.	.	.	.	.	Raleigh	7- 5-34
Mrs. Annie Laurie Williamson	.	.	.	.	.	.	.	.	.	Raleigh	6-13-35
Mrs. Ethel Sinclair <sup>277</sup>	.	.	.	.	.	.	.	.	.	Hickory	6-13-35
Mrs. B. H. Hutchinson <sup>278</sup>	.	.	.	.	.	.	.	.	.	Red Springs	6-13-35

RECORDER'S COURT<sup>279</sup>

C. W. Gilliam, <i>Judge</i> *	.	.	.	.	.	.	.	.	.	Thomasville	3-31-33
L. Roy Hughes, <i>Solicitor</i>	.	.	.	.	.	.	.	.	.	Thomasville	3-31-33
D. A. Troutman <sup>280</sup>	.	.	.	.	.	.	.	.	.	Thomasville	3- 8-35

COUNTY ACCOUNTANT OF BRUNSWICK COUNTY<sup>281</sup>

R. C. St. George*	.	.	.	.	.	.	.	.	.	Southport	11-18-36
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FORSYTH COUNTY COURT<sup>282</sup>

Oscar O. Efrid*, <i>Judge</i>	.	.	.	.	.	.	.	.	.	Winston-Salem	11-26-34
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<sup>283</sup>Board is composed of 5 members of 3 year terms elected by the Photographers Association and commissioned by the governor. *P.L.*, 1935, Chap. 155.

<sup>286</sup>Succeeded A. O. Clement, deceased.

<sup>276</sup>Board is composed of 5 members of 4 year terms. *P.L.*, 1935, Chap. 326.

<sup>277</sup>Board is composed of 3 members of 5 year terms with the superintendent of the state school for the blind, and the supervisor of vocational education as ex-officio members. *P.L.*, 1935, Chap. 53.

<sup>272</sup>Commission composed of 7 members, 4 of whom are appointed by the governor and 3 by the board of commissioners of Morehead City, for 4 year terms. *P.L.*, 1935, Chap. 232.

<sup>273</sup>Commission composed of 13 members appointed by the governor. *P.L.*, 1933, Res. No. 11.

<sup>274</sup>Declined.

<sup>275</sup>Board is composed of 3 members of 3 year terms. *P.L.*, 1933, Chap. 179; *P.L.*, 1935, Chap. 54.

<sup>276</sup>Succeeded Miss Emily Purcell whose term expired.

<sup>277</sup>Succeeded A. T. Ritchie whose term expired.

<sup>278</sup>Succeeded L. L. Smitley whose term expired.

<sup>279</sup>*P.L.*, 1933, Chap. 245.

<sup>280</sup>Succeeded L. Roy Hughes whose term expired.

<sup>281</sup>*P.L.*, 1931, Chap. 84.

<sup>282</sup>*P.L.*, 1915, Chap. 520.

JUDGE OF RECORDER'S COURT OF SURRY COUNTY <sup>283</sup>				
Name	Address	Appointed	Expired	
H. H. Llewellyn*	. . . . . Mt. Airy	11-15-34	12- 1-38	
DAVIDSON COUNTY RECORDER'S COURT <sup>284</sup>				
D. L. Pickard,* <i>Judge</i>	. . . . . Lexington	11-24-36	11-24-38	
J. Lee Wilson, <i>Solicitor</i>	. . . . . Lexington	12- 3-34	12- 1-36	
P. C. Stoner, <sup>285</sup> <i>Solicitor</i>	. . . . . Lexington	11-24-36	12- 1-38	
RECORDER'S COURT OF NEW HANOVER COUNTY <sup>286</sup>				
Alton A. Lennon, <sup>287</sup> <i>Judge</i>	. . . . . Wilmington	8-27-34	12- 1-34	
George L. Peschau, <sup>288</sup> <i>Judge</i>	. . . . . Wilmington	8-28-34	12- 1-34	
TREASURER OF GRAHAM COUNTY				
R. B. Slaughter*	. . . . . Robbinsville	7- 6-33	7- 1-35-37	
ASSISTANT DIRECTOR OF THE BUDGET <sup>290</sup>				
Frank L. Dunlap	. . . . . Wadesboro	6-14-33	7- 1-34	
PAROLE COMMISSIONER <sup>291</sup>				
Edwin Gill	. . . . . Laurinburg	6- 9-33	1- 1-37	
COMMISSIONER OF REVENUE <sup>292</sup>				
A. J. Maxwell	. . . . . Raleigh	6-10-33	1- 1-37	
PRIVATE SECRETARY <sup>293</sup>				
Charles G. Powell	. . . . . Oxford	1- 1-33	1- 1-37	
J. C. B. Ehringhaus, Jr. <sup>294</sup>	. . . . . Elizabeth City	11-17-36	1- 1-37	
SECRETARY OF STATE <sup>295</sup>				
Charles G. Powell <sup>296</sup>	. . . . . Oxford	11-17-36	1- 1-37	
Thad Eure <sup>297</sup>	. . . . . Winton	12-21-36	1- 7-37	
DIRECTOR OF PURCHASE AND CONTRACT <sup>298</sup>				
A. S. Brower*	. . . . . Raleigh	9-25-33	1- 1-37	
W. H. Pittman <sup>299</sup>	. . . . . Raleigh	12- 1-36	1- 1-41	

REPRESENTING GOVERNOR ON MOTOR VEHICLE AND INSPECTION BOARD

Dr. A. McLaren White . . . . . Chapel Hill 1- 6-34

EMERGENCY JUDGES<sup>300</sup>

Frank A. Daniels . . . . . Goldsboro 12-28-34  
T. B. Finley . . . . . North Wilkesboro 12-28-34

ATTORNEY GENERAL<sup>301</sup>

A. A. F. Seawell<sup>302</sup> . . . . . Chapel Hill 1-16-35 Next General Election

STATE PLANNING BOARD FOR NORTH CAROLINA<sup>303</sup>

Capus M. Waynick, *Chrm.* . . . . Raleigh 1-26-35  
R. Bruce Etheridge . . . . . Raleigh 1-26-35  
Clyde A. Erwin . . . . . Raleigh 1-26-35  
Mrs. W. T. Bost . . . . . Raleigh 1-25-35  
Dr. Howard W. Odum . . . . . Chapel Hill 1-26-35  
Dr. Clarence Poe . . . . . Raleigh 1-26-35  
Reuben Robertson . . . . . Canton 1-26-35  
J. W. Harrelson . . . . . Raleigh 1-26-35  
Stanley Winborne . . . . . Raleigh 1-26-35

<sup>283</sup>*P.L.L., 1868-69*, Chap. 270.

<sup>284</sup>*P.L.L., 1933*, Chap. 82.

<sup>285</sup>Succeeded J. Lee Wilson whose term expired.

<sup>286</sup>*P.L., 1868-69*, Chap. 270.

<sup>287</sup>Succeeded George Harriss, deceased.

<sup>288</sup>Succeeded Alton A. Lennor, who declined.

<sup>289</sup>*P.L., 1868-69*, Chap. 270.

<sup>290</sup>*P.L., 1925*, Chap. 89.

<sup>291</sup>*P.L., 1939*, Chap. 111.

<sup>292</sup>*P.L., 1921*, Chap. 40; *P.L., 1925*, Chaps. 101, 158, 182, 258; *P.L., 1927*, Chaps. 122, 198.

<sup>293</sup>*P.L., 1868-69*, Chap. 270.

<sup>294</sup>Succeeded Charles G. Powell, resigned.

<sup>295</sup>*P.L., 1868-69*, Chap. 270.

<sup>296</sup>Succeeded Stacey W. Wade, resigned.

<sup>297</sup>Succeeded Charles G. Powell, resigned.

<sup>298</sup>*P.L., 1931*, Chap. 261.

<sup>299</sup>Succeeded A. S. Brower, resigned.

<sup>300</sup>Appointed by the governor when an emergency arises. *P.L., 1921*, Chap. 125; *P.L., 1925*, Chap. 216.

<sup>301</sup>*P.L., 1868-69*, Chap. 270.

<sup>302</sup>Succeeded Dennis G. Brummitt, deceased.

<sup>303</sup>This board was appointed on the suggestion of the National Resources Board, an agency of the Federal government. When the Federal authorities wanted the board to have statutory authority the General Assembly enacted the law which was passed May 11, 1935. The members were to serve at the pleasure of the governor. *P.L., 1935*, Chap. 488.



ASSOCIATE JUSTICES SUPREME COURT<sup>304</sup>

<i>Name</i>	<i>Address</i>	<i>Appointed</i>	<i>Expired</i>
Michael Schenck <sup>305</sup>	. . . . .	5-23-34	Next General Election
William A. Devin <sup>306</sup>	. . . . . Hendersonville	11- 1-35	Next General Election

JUDGE OF SUPERIOR COURT<sup>307</sup>

J. Will Pless, Jr. <sup>308</sup>	. . . . . Marion	5-25-34	Next General Election
Marshall T. Spears <sup>309</sup>	. . . . . Durham	11- 7-35	Next General Election
Frank M. Armstrong <sup>310</sup>	. . . . . Troy	7-21-36	Next General Election

SOLICITORS<sup>311</sup>

C. O. Ridings <sup>312</sup>	. . . . . Forest City	6- 6-34	Next General Election
Allen H. Gwyn <sup>313</sup>	. . . . . Reidsville	6-29-34	Next General Election

MEMBER OF CONGRESS<sup>314</sup>

Harold D. Cooley <sup>315</sup>	. . . . . Nashville	7- 7-34	Special Election
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COMMITTEE TO STUDY PROBLEM OF RURAL ELECTRIFICATION<sup>316</sup>

Dr. Clarence Poe	. . . . . Raleigh	5-31-34	
Earl S. Vanatta	. . . . . University Station	5-31-34	
W. Kerr Scott	. . . . . Haw River	5-31-34	
Mrs. Jane S. McKimmon	. . . . . Raleigh	5-31-34	
J. L. Horne, Jr.	. . . . . Rocky Mount	5-31-34	
E. B. Jeffress	. . . . . Greensboro	5-31-34	
S. T. Henry	. . . . . Spruce Pine	5-31-34	
Mrs. Gordon Reid	. . . . . Rutherfordton	5-31-34	
Dr. Howard W. Odum	. . . . . Chapel Hill	5-31-34	
C. A. Sheffield	. . . . . Raleigh	5-31-34	
Dudley W. Bagley	. . . . . Moyock	5-31-34	
Edward Tiddy	. . . . . Red Springs	5-31-34	
T. E. Browne	. . . . . Raleigh	6- 5-34	
H. D. Pantton	. . . . . Chapel Hill	6- 6-34	

NORTH CAROLINA RURAL ELECTRIFICATION AUTHORITY<sup>317</sup>

Dudley W. Bagley, <i>Chrm.</i>	. . . . . Moyock	6- 5-35	6- 5-41
W. Kerr Scott	. . . . . Haw River	6- 5-35	6- 5-41
J. L. Horne, Jr.	. . . . . Rocky Mount	6- 5-35	6- 5-41
S. H. Hobbs, Jr.	. . . . . Chapel Hill	6- 5-35	6- 5-41
Mrs. Jane S. McKimmon	. . . . . Raleigh	6- 5-35	6- 5-41



NORTH CAROLINA THRIFT SOCIETY<sup>319</sup>

<i>Name</i>	<i>Address</i>	<i>Appointed</i>	<i>Expired</i>
Mrs. Julius Cone . . . . .	Greensboro	12-23-33	12-23-37
Howard Rondthaler . . . . .	Winston-Salem	12-23-33	12-23-37
Francis Bradshaw . . . . .	Chapel Hill	12-23-33	12-23-37
Felix Grisette . . . . .	Chapel Hill	12-23-33	12-23-37
Dr. Thurman D. Kitchin . . . . .	Wake Forest	12-23-33	12-23-37
K. R. Curtis . . . . .	Wilson	12-23-33	12-23-37
John Sprunt Hill . . . . .	Durham	12-23-33	12-23-37
Junius G. Adams . . . . .	Asheville	12-23-33	12-23-37
Curtis B. Johnson . . . . .	Charlotte	12-23-33	12-23-37
Paul P. Brown . . . . .	Raleigh	12-23-33	12-23-37
R. C. DeRossett . . . . .	Wilmington	12-23-33	12-23-37
Lionel Weil . . . . .	Goldsboro	12-23-33	12-23-37

TEXTBOOK COMMISSION ELEMENTARY GRADES<sup>320</sup>

Clyde A. Erwin . . . . .	Rutherfordton	11-10-33	11-10-38
C. C. Russ . . . . .	Whiteville	11-10-33	11-10-38
H. M. Roland . . . . .	Burlington	11-10-33	11-10-38
E. H. Hartsell . . . . .	Elizabeth City	11-10-33	11-10-38
Miss Elizabeth Black . . . . .	Concord	11-10-33	11-10-38
Mrs. A. R. Wilson . . . . .	Durham	11-10-33	11-10-38
Miss Nina DeBerry . . . . .	Salisbury	11-10-33	11-10-38
L. E. Spikes <sup>321</sup> . . . . .	Rutherfordton	1-20-36	11-10-38

STATE TEXTBOOK PURCHASE AND RENTAL COMMISSION<sup>322</sup>

R. Gregg Cherry . . . . .	Gastonia	6- 5-35	6- 5-37
R. L. Harris . . . . .	Roxboro	6- 5-35	6- 5-37

STATE COMMITTEE ON HIGH SCHOOL TEXT BOOKS<sup>323</sup>

J. H. Grigg . . . . .	Shelby	11-10-33	11-10-38
A. W. Honeycutt . . . . .	Lexington	11-10-33	11-10-38
W. O. Hampton . . . . .	Wilmington	11-10-33	11-10-38
Miss Kate Finley . . . . .	Rockingham	11-10-33	11-10-38

Dr. N. W. Walker	.	.	.	.	.	.	.	.	Chapel Hill	11-10-33	11-10-38
J. M. Shields <sup>324</sup>	.	.	.	.	.	.	.	.	New Bern	10- 9-34	11-10-38
C. F. Carroll <sup>325</sup>	.	.	.	.	.	.	.	.	Bryson City	9-14-36	11-10-38
C. W. Davis <sup>326</sup>	.	.	.	.	.	.	.	.	Roanoke Rapids	9-14-36	11-10-38
JUDGE HIGH POINT MUNICIPAL COURT <sup>327</sup>											
Lewis E. Teague*	.	.	.	.	.	.	.	.	High Point	6-23-33	6- 1-35-37
PURCHASING AGENT, TAX SUPERVISOR, AND BOOKKEEPER FOR SURRY COUNTY											
B. F. Folger*	.	.	.	.	.	.	.	.	Dobson	2-28-35	12- 1-36-38
FEDERAL RELIEF FOR NORTH CAROLINA											
C. Brantley Aycock	.	.	.	.	.	.	.	.	Raleigh	6- 9-33	
Dr. Howard W. Odum	.	.	.	.	.	.	.	.	Chapel Hill	8- 6-33	
Miss Harriett Elliott	.	.	.	.	.	.	.	.	Greensboro	8- 6-33	
Major Terry A. Lyon.	.	.	.	.	.	.	.	.	Fayetteville	8- 6-33	
Clyde A. Dillon	.	.	.	.	.	.	.	.	Raleigh	8- 6-33	
Leland H. Kitchin	.	.	.	.	.	.	.	.	Scotland Neck	8- 6-33	
Mrs. Thomas O'Berry, Director	.	.	.	.	.	.	.	.	Goldsboro	8- 6-33	
SUPERINTENDENT OF PUBLIC INSTRUCTION											
Clyde A. Erwin <sup>328</sup>	.	.	.	.	.	.	.	.	Rutherfordton	10-23-34	Next General Election

<sup>320</sup>Board is composed of 16 members of 4 year terms, 12 of whom are appointed by the governor. The state treasurer, president of North Carolina Bankers Association, superintendent of public instruction, and the president of the University of North Carolina are the ex officio members. *P.L.*, 1923, Chap. 385.

<sup>321</sup>Board is composed of 7 members of 5 year terms. *P.L.*, 1923, Chap. 136.

<sup>322</sup>Succeeded Clyde A. Erwin who became state superintendent of public instruction on the death of A. T. Allen.

<sup>323</sup>Board is composed of the Superintendent of Public Instruction, Attorney General, Director of Purchase and Contract as ex officio members and two members appointed by the governor for term of 2 years. *P.L.*, 1935, Chap. 422.

<sup>324</sup>Board is composed of 5 members appointed by the governor and the state superintendent of public instruction. Terms not designated. *P.L.*, 1923, Chap. 136, Sec. 334.

<sup>325</sup>Succeeded W. O. Hampton who resigned.

<sup>326</sup>Succeeded Miss Kate Finley, resigned.

<sup>327</sup>Succeeded Dr. N. W. Walker, deceased.

<sup>328</sup>Appointed for 2 year term. *P.L.L.*, 1927, Chap. 699.

<sup>329</sup>Succeeded A. T. Allen, deceased.





## A

- Absher, Mrs. W. R., appointed delegate, 305.  
 Adams, Junius G., appointment of, 474.  
 Adams, W. J., death of, 473*n*.  
 Adjutant General, appointment of, 460.  
 Ad valorem taxation, causes collapse of schools, 150; not a sound basis for support of schools, 130.  
 Advisory Board of Paroles, appointments to, 464.  
 Advisory Budget Commission, appointments to, 445; plans acquirement of causeway, 299.  
 Agricultural Adjustment Administration, collapse of, 409; collapse of, leads to crisis, 212; declared unconstitutional, 238*n*, 323*n*; Department of Agriculture confident of victory of, 262; potatoes not included in, 364; seeks parity price for tobacco, 72; sign-up necessary for success of, 287.  
 Agricultural and Engineering College of the University of North Carolina, dean of administration appointed, 280*n*.  
 Agricultural and Technical College of North Carolina, appointments to board of, 454.  
 Agricultural products, fail to bring comparably high prices, 207; rises in prices of, under New Deal, 236.  
 Agricultural Society of South Carolina, governor addresses, 25.  
 Agricultural surplus, caused by inefficient farmer, 114.  
 Agriculture, commands lowest prices, 112; coöperation must be applied to production in, 207; dinners held to plan program for, 111; emphasis on production leads to surplus in, 206; governor gives views on, 112, 207; improvement in, reflected in business, 295; national planning in, approaching, 113; needs national planning, 207; New Deal accomplishments for, 236; problems of, can be worked out under Constitution, 208.  
 Aiken, John W., appointment of, 447.  
 Alamance County, taxes analyzed, 149; tax relief shown, 160.  
 Albemarle section, governor homesick for, 145; people of, described, xxii.  
 Alexander, M. P., appointment of, 461.  
 Alexander, Sid B., appointment of, 271.  
 Allen, A. T., cited as authority, 297; death of, 475*n*.  
 Allen, E. F., appointment of, 465.  
 Allen, Matt H., appointment of, 460; resigns, 447*n*.  
 Allen, R. T., appointment of, 452.  
 Allen, W. R., appointment of, 452.  
 Altmore, T. B., appointment of, 444.  
 Amendments to the State Constitution, governor's views on, 416; governor urges adoption of, 333.  
 American Education Week, governor proclaims, 80, 85; governor takes part in observance of, 98; governor urges observance of, 100.  
 American Legion, resolution of, 425; sponsors education week, 80, 85.  
 American Library Association, governor names delegates to conference of, 324.  
 American Red Cross, designated official relief agency, 280; governor urges support of, 283, 305.  
 American Steel Foundries, case of, cited, 304.  
 American Trust Company, robbed, 316.  
 Amos, R. T., appointment of, 457.  
 Anderson, Mrs. John H., appointment of, 456.  
 Anderson, Selby, appointment of, 458.  
 Arbor Day, governor proclaims, 75.  
 Armstrong, Frank M., appointment of, 332, 472.  
 Army Day, governor issues statement about, 324.  
 Arnold, E. F., opposes voluntary sign-up, 255; to direct committee, 256.  
 Ashby, James L., appointment of, 460.  
 Asheville, suggested trade center for beef cattle, 119.  
 Assistant Director of the Budget, appointment of, 470.  
 Associated Press, asks for economic statement, 295*n*; governor learns of lynching through, 314; governor uses facilities of, 307.  
 Association of Life Insurance Presidents, governor addresses, 169.

Atkins, James, appointment of, 448.  
 Atlantic and North Carolina Railroad, appointments to board of, 458; reference to, 371; state should operate or lower rates, 371.  
 Atlantic Beach causeway, state acquires, 299, 299*n*.  
 Atlantic Coast Line Railroad, bottles up Wilmington, 371.  
 Attorney General, appointment of, 471.  
 Aycock, C. B., reference to, 433.  
 Aycock, Mrs. C. B., Sr., appointment of, 457, 458.  
 Aycock, C. Brantley, appointment of, 475.  
 Aycock, C. P., appointment of, 451.

## B

Babington, R. B., successor named, 453*n*.  
 Baggett, J. R., successor named, 453*n*.  
 Bagley, Dudley W., appointment of, 472.  
 Bagley, E. G., appointment of, 462.  
 Bahnson, Agnew H., appointment of, 463.  
 Bailey, Carl E., parole declined, 316.  
 Bailey, Carl L., appointment of, 464, 466.  
 Bailey, Josiah W., appointment of, 282; telegram to, 408.  
 Baity, H. G., appointment of, 443.  
 Baker, Newton D., inspires law careers, 366.  
 Ballentine, L. Y., appointment of, 468.  
 Ballew, James G., appointment of, 456.  
 Bancroft, George, quoted, xxiii.  
 Bankers, asked to encourage sale of state bonds, 97; to help collect taxes, 94.  
 Banking holiday, extended, 67; governor proclaims, 65, 67.  
 Banking situation, alarms Nation, 22; concerns governor, 344; governor discusses crisis in, 91.  
 Banks, closing of, 135; found in bad condition by governor, x; in sound condition, 295.  
 Banks, Thomas A., appointment of, 271.  
 Banzet, J. E., appointment of, 452.  
 Barden, Graham A., telegram to, 408.  
 Barker, Oscar, appointment of, 466.  
 Barkley, Alben W., re-offers amendments, 267; to offer amendment, 246.  
 Barrett, James F., successor named, 453*n*.  
 Barton, Harry, appointment of, 464.  
 Barton, W. W., appointment of, 464.  
 Battle, Kemp D., appointed delegate, 324; appointment of, 271, 446.  
 Battle, Mrs. S. Westray, appointment of, 445.  
 Battle of New Orleans, meaning of, 200.  
 Baum, J. C., successor named, 451*n*.  
 Beal, Marjorie, appointed delegate, 324.  
 Beall, J. H., appointment of, 450; successor named, 451*n*.  
 Beam, L. P., appointment of, 448; declines appointment, 449*n*.  
 Beam, M. R., appointment of, 458.  
 Beard, Bryce P., signs resolution, 425.  
 Beasley, R. F., appointment of, 466; resigns, 461*n*.  
 Becton, J. L., successor named, 461*n*.  
 Bell, Graham W., letter from, 411; letter to, 412.  
 Bell, W. F., appointment of, 460.  
 Bellamy, Emmett, appointment of, 454.  
 Bennett, C. C., successor named, 449*n*.  
 Berkeley, William, Sir, appointment of, protested in Albemarle, xxii.  
 Bernard, S. G., appointment of, 464.  
 Bethune, L. A., successor named, 453*n*.  
 Better Housing Campaign, governor proclaims, 78, 81.  
 Bickett, Thomas W., reference to, 433.  
 Bickett, Mrs. T. W., appointment of, 452, 469; successor named, 457*n*, 459*n*.  
 Bickett, William Y., investigates lynching, 315.  
 Biennial message, 32; sent to New Jersey, 403.  
 Biggs, J. Crawford, appointment of, 465.  
 Bird, Thomas M., successor named, 449*n*.  
 Bivens, S. B., death of, 461*n*.

- Bixby, L. F., quoted, 431.  
 Black, Elizabeth, appointment of, 474.  
 Blackwelder, Bascom B., appointment of, 453.  
 Blackwood, Ibra C., urges governor to declare warehouse holiday, 347, 348; telegram to, 348, 349; urges governor to attend South Carolina cotton meeting, 348.  
 Blair, W. A., appointment of, 461.  
 Blalock, U. B., successor named, 445*n*.  
 Bland, T. L., appointment of, 455.  
 Blount, M. O., appointment of, 473.  
 Blue, L. M., successor named, 451*n*.  
 Blue Ridge Parkway, route suggested, 387.  
 Bluethenthal, Mrs. Herbert V., appointed delegate, 305.  
 Boger, Charles E., letter from, 377.  
 Boger, Mrs. R. E., appointment of, 453; death of, 453*n*; successor named, 453*n*.  
 Boiler inspection law, North Carolina adopts, 185.  
 Boney, D. C., attends conference, 310*n*; recommends amendment, 310.  
 Boone, N. C., suggested trade center for cabbage, 119.  
 Borden, E. B., III, successor named, 451*n*.  
 Bost, W. T., writes biographical sketch, vii.  
 Bost, Mrs. W. T., appointed delegate, 305; appointment of, 301, 462, 471.  
 Boyce, S. N., successor named, 457*n*.  
 Boyd, H. E., appointed delegate, 323.  
 Boyd, J. R., successor named, 451*n*.  
 Boyd, W. J., appointment of, 448; successor named, 459*n*.  
 Boyd, William K., appointment of, 456.  
 Brackett, W. E., appointment of, 451.  
 Bracy, G. E., appointment of, 464.  
 Bradshaw, Francis, appointment of, 474.  
 Brandon, Ben L., appointment of, 468.  
 Branscomb, Harvie, appointed delegate, 324.  
 Brassfield, Leon S., appointment of, 459.  
 Braswell, J. C., appointment of, 452; successor named, 453*n*.  
 Bray, John B., appointment of, 460.  
 Breckenridge, M. S., appointment of, 465.  
 Breece, A. M., appointment of, 464; successor named, 465*n*.  
 Breece, W. E., appointment of, 448, 458.  
 Brenizer, A. G., appointment of, 450.  
 Bridgers, D. H., death of, 455*n*.  
 Bridgers, Henry Clark, appointment of, 448.  
 Britt, E. J., appointment of, 452.  
 Brogden, Willis James, appointment of, 319*n*; death of, 319, 473*n*; unexpired term of, filled, 319*n*.  
 Broughton, J. M., appointment of, 467, 468.  
 Brower, A. S., appointment of, 280, 470; letter from, 419; resigns, 419, 471*n*; to represent state at hearing, 308.  
 Brown, E. C., successor named, 461*n*.  
 Brown, Joe A., appointment of, 455.  
 Brown, Paul P., appointment of, 474.  
 Browne, T. E., appointment of, 472.  
 Brummitt, Dennis G., death of, 471*n*; reference to, 399.  
 Brunswick County, appointment of county accountant, 469.  
 Bryan, William Jennings, was Jeffersonian type, 201.  
 Bryant, Victor S., appointment of, 466, 473.  
 Bryson, T. D., appointment of, 464.  
 Buchanan, C. C., successor named, 449*n*.  
 Buchanan, Harry E., appointment of, 448.  
 Budget Bureau, debit balance of, includes receivables, 278; praised, 38; prescribed accounting system, 290; requested to establish temporary position, 427.  
 Budget message, 17, 51; misinterpreted, 395.  
 Building and Loan associations, approve housing campaign, 78; sound policy of, brings them through depression, 154.  
 Building code, governor will not hasten, 296.  
 Building Code Council, appointments to, 466.  
 Bullard, Earlie, appointment of, 449.  
 Buncombe County, tax relief great-



er than chart indicates, 284; tax relief shown, 160.  
 Bureaucracy, Hoover deplors enlargement of, 234.  
 Bureau of Personnel, absorption by Executive Department recommended, 11.  
 Burgin, W. O., appointment of, 300, 462.  
 Burgwyn, W. H. S., successor named, 459*n*.  
 Burke, Henry, first assistant director of Budget Bureau, 275*n*; resigns, 275.  
 Burr, Theodosia, disappearance of, 131*n*.  
 Burrus, A. K., successor named, 445*n*.  
 Burrus, J. T., appointment of, 450; successor named, 443*n*.  
 Busbee, R. S., appointment of, 464.  
 Business, governor asks sympathy of, 200; needs government protection and understanding, 196.  
 Byers, C. M., gives reason for gas prices, 372 *ff*; letter from, 372.

## C

Caldwell, Harry B., appointment of, 454.  
 California, bears majority of school burden, 199; governor jokes about contributions of citizens of, 132.  
 Camden County, governor speaks in, 158; taxes analyzed, 159.  
 Campbell, John T., appointment of, 460.  
 Campbell, William B., appointment of, 466.  
 Cannon, Charles A., appointment of, 447, 466; successor named, 455*n*.  
 Cape Fear and Yadkin Valley Railroad, to reach Virginia, 371.  
 Carolina Beach, appointments to board, 467.  
 Carpenter, John G., governor acts on petition of, 316, 317.  
 Carr, H. C., appointment of, 460.  
 Carr, J. O., appointment of, 444; resigns, 445*n*.  
 Carriker, Alfred, punishes boy, 378.  
 Carriker, Mrs. Alfred, is cottage mother, 378.  
 Carroll, C. F., appointment of, 475.  
 Carroll, Delia Dixon, appointment of, 468.  
 Carter, Benjamin, quoted, 397.

Carter, Piercy, appointment of, 448.  
 Carter, Will Thomas, sentence of, commuted, 315.  
 Carver, David F., appointment of, 464.  
 Cass, Lewis, appointed by Jefferson and Jackson, 227.  
 Caswell Training School, appointments to board of, 452; building program aids, xiv; director resigns, 281.  
 Cathey, Sam M., appointment of, 468.  
 Centralization of authority, unnecessary if states cooperate, 168.  
 Central Prison, improved, 431.  
 Champion, J. V., testimony of, noted, 365.  
 Charnley, Walter, successor named, 445*n*.  
 Chatham, Thurmond, appointment of, 301, 444, 462.  
 Chatham County Board of Election, writ directed to, 426.  
 Cheek, J. Marvin, appointment of, 446.  
 Cherokee, eastern end of parkway to be at, 385.  
 Cherokee County, tax relief shown, 161.  
 Cherokee County Tax Commission, appointment to, 464.  
 Cherokee Indian Normal School, appointments to board of, 449.  
 Cherry, R. Gregg, appointed delegate, 297; appointment of, 461, 474.  
 Cheshire, Godfrey, appointment of, 443.  
 Cheshire, J. B., Jr., appointment of, 464.  
 Chicago, school system collapses, 211.  
 Child labor, decrease in, shown, 404; elimination of, recommended, 47; governor urges complete elimination of, 404.  
 Child Labor Amendment, narrowly misses ratification in North Carolina, 188, 189.  
 Child safety regulations, no violation of, in North Carolina, 177.  
 Chowan County, tax relief shown, 160.  
 Christopher, P. R., appointment of, 462.  
 Christopher, Mrs. P. R., appointment of, 301.  
 Citizens' Bank of Elizabeth City, robbed, 134.

- Civilian Conservation Corps Camps, reference to, 321.
- Civil Works Administration, reference to, 390, 391.
- Clark, J. Bayard, appointed delegate, 323; telegram to, 408.
- Clark, James H., appointment of, 445.
- Clark, R. R., successor appointed, 451<sup>n</sup>.
- Clark, Sam, appointment of, 452.
- Clark, William G., appointment of, 450.
- Clarkson, Francis O., appointment of, 282, 461; declines appointment, 461<sup>n</sup>.
- Clarkson, Heriot, appointment of, 456.
- Clement, A. O., appointment of, 468; death of, 469<sup>n</sup>.
- Clendenin, Kemp C., appointment of, 446.
- Cleveland, Grover, Jacksonian type, 201.
- Cline, F. D., appointment of, 444.
- Coates, Albert, represents governor at conference, 167.
- Cobb, Beatrice, appointment of, 453; declines appointment, 453<sup>n</sup>; successor named, 453<sup>n</sup>.
- Coburn, J. E., appointment of, 448; death of, 449<sup>n</sup>.
- Coburn, R. L., appointment of, 452.
- Coffey, F. H., appointment of, 453.
- Coffey, R. D., appointment of, 451.
- Cole, Enser W., appointment of, 443.
- Collier, S. P., appointment of, 454.
- Collins, Lester, impressed by economy program, 401.
- Colored Orphanage of North Carolina, appointments to board of, 456.
- Coltrane, D. B., appointment of, 454.
- Commercial banks, approve housing program, 78.
- Commissioner of Revenue, appointment of, 470.
- Commissioners of Affidavits in other states, appointment of, 462.
- Commissioners of Agriculture of Southern states, telegram to, 410.
- Commission for Study of Laws Relating to Property Intestate, appointments to, 464.
- Committee to Investigate State Highways, appointments to, 466.
- Committee to Study Unemployment Insurance, appointments to, 462.
- Common School Centennial, celebration ordered, 428; governor proclaims, 84.
- Cone, Benjamin, appointment of, 456, 466.
- Cone, Mrs. Bertha L., appoints board members, 445<sup>n</sup>.
- Cone, Herman, appointment of, 454.
- Cone, Mrs. Julius (Laura Weil), appointment of, 271, 474.
- Confederate soldiers, governor pays tribute to, 142; showed greatest valor in peace, 143.
- Confederate Women's Home, appointments to board of, 456.
- Congress, called into extraordinary session, 66; can prevent interstate movement of tobacco, 244; compacts ineffective unless authorized by, 214; takes emergency measures, 155; to deal with banking problem, 91; urged to permit compacts, 330; works strenuously, 341.
- Congressional Committee on Agriculture, bill presented before, 246.
- Congressional delegation, governor has no quarrel with, 225; telegram to, 408.
- Congressman from North Carolina, appointment of, 472.
- Connecticut, pays insurance taxes collected throughout Nation, 175.
- Connor, H. G., Jr., appointment of, 445.
- Connor, R. D. W., resigns, 457<sup>n</sup>.
- Constitution of the United States, governor expresses belief in, 208.
- Consumers' Council, investigates fertilizer prices, 393.
- Contingency and emergency fund, no commitments of, 314.
- Cook, Alexander, appointment of, 456.
- Cook, H. L., appointment of, 454.
- Cooke, A. Wayland, appointment of, 464.
- Cooke, Leonard C., appointment of, 468.
- Cooley, Harold D., appointment of, 472; sends wire about tobacco crisis, 215; telegram to, 408.
- Coolidge, Calvin, reference to, 231.
- Coöperation between Government and Citizens, address, 93.
- Cordon, Mrs. James Telfair, daughter of governor, xvi.
- Cordon, Norman, sings at Executive Mansion, xx.

- Cornwell, A. M., appointment of, 450.
- Corporations, to help collect taxes, 94.
- Costen, Eugene P., appointment of, 443.
- Cotton Acreage Reduction Campaign, State College extension division drafted to handle, 69; presents opportunity for farmer, 275.
- Cotton Acreage Reduction Week, governor proclaims, 69.
- Cotton control, experience with, cited by governor, 240.
- Cotton farmers, to meet in South Carolina, 348.
- Council, K. C., appointment of, 450.
- Council of State, invited to attend farm meeting, 238*n*.
- Counties of North Carolina, sales tax collections tabulated, 293; tax relief table, 285.
- County governments, consolidation legalized, 167.
- Coursey, Charnley, and Caldwell, present affidavits, 312.
- Courtney, H. W., appointment of, 467.
- Cover, Mrs. Giles, appointment of, 448.
- Covington, L. S., appointment of, 454.
- Coward, J. H., appointment of, 454.
- Cowper, G. Vernon, appointment of, 443, 460.
- Cox, J. Elwood, successor named, 445*n*.
- Craig, Locke, appoints William Louis Poteat, 292; reference to, 433.
- Craige, Burton, appointment of, 445; successor named, 445*n*.
- Cramer, John B., successor named, 453*n*.
- Cranford, E. D., successor named, 449*n*.
- Crawford, R. H., appointment of, 450.
- Credit system, Hoover comments upon, 234.
- Crime, governor notes increase in, 164; importance of prevention of, emphasized, 169.
- Criminal law enforcement, causes of weakness in, 166; more uniform than formerly, 165.
- Crispell, Raymond S., appointment of, 473.
- Crittenden, Mrs. Ethel T., appointed delegate, 324.
- Croome, John B., appointment of, 451.
- Crop control, coöperation in, called for, 114; growers asked to urge bill for, 300.
- Crowell, H. P., appointment of, 458, 459, 468.
- Crowell, L. A., appointment of, 450.
- Crowell, W. H., appointment of, 450.
- Crowell, Mrs. Walter F., appointment of, 461.
- Crowson, O. F., appointment of, 454.
- Culpepper, John, leads rebellion, xxii.
- Cummings, Homer, governor praises, 164; outlines Federal and state responsibilities in criminal law enforcement, 166; plans crime prevention organization, 169.
- Curran, T. G., appointment of, 455.
- Currituck County, short-cut approved for, 301; tax relief shown, 159.
- Curtis, Charles, quoted, 231.
- Curtis, K. R., appointment of, 474.

## D

- Dail, W. H., Jr., successor named, 453*n*; urges showdown with governor, 238*n*.
- Dalton, Charles F., successor named, 459*n*.
- Daniel, N. C., appointment of, 445, 456.
- Daniel Boone Bicentennial Commission, North Carolina to be represented at celebration, 301.
- Daniels, Frank A., appointment of, 471.
- Daniels, Josephus, appointment of, 271.
- Daniels, R. L., appointment of, 452.
- Daniels, Tom C., appointed delegate, 305.
- Dare, Virginia, born in Albemarle, xxii.
- Daugherty, B. B., appointment of, 444.
- Davidson County, appointments to recorder's court, 470; taxes analyzed, 149.
- Davis, B. W., appointed delegate, 297.
- Davis, C. W., appointment of, 475.
- Davis, Chester C., knows potato situation, 363; letter from, 407; makes data available, 394; telegram to, 379, 406.

- Davis, J. W., appointment of, 450.  
 Davis, John W., inspires law careers, 366.  
 Dawson, Mrs. John G., appointment of, 448.  
 Dawson, W. E., appointment of, 452.  
 Day, N. E., successor named, 449*n*.  
 Dean, Ernest, successor named, 453*n*.  
 Deans, Julian S., appointment of, 460.  
 De Berry, Nina, appointment of, 474.  
 Debt service, to be lightened, 40.  
 Dees, W. A., appointment of, 451.  
 Delaware, makes high contribution to school support, 199; pays corporation taxes collected throughout Nation, 175.  
 Democratic party, governor upholds, 204; members urged to rally, 320; Michigan progresses under, 226.  
 Democrats urged to approve amendments, 333.  
 Denny, Emery B., appointment of, 462; declines appointment, 463*n*.  
 Depression, depths reached in 1933, 183.  
 De Rossett, R. C., appointment of, 474.  
 Devin, William A., appointment of, 319*n*, 472; resigns, 473*n*.  
 Deyton, R. G., assists in survey, 290.  
 Dial, James E., appointment of, 449; death of, 449*n*.  
 Dickens, Wade H., appointment of, 452; successor named, 453*n*.  
 Dillon, Clyde A., appointment of, 468, 475.  
 Director of Purchase and Contract, appointment of, 470.  
 Division of Accounts and Records, subdivisions of, 291.  
 Division of Assessments and Collections, subdivisions of, 290.  
 Division of Industrial Hygiene and Sanitation, set up, 188.  
 Division of Markets, will provide information, 337.  
 Division of Purchase and Contract, director appointed, 280; director resigns, 419; praised, 38.  
 "Dixie," governor honors song entitled, 146.  
 Dixon, Arthur M., appointment of, 458.  
 Dixon, Kay, appointment of, 452.  
 Doctors, urged to use influence in election of legislators, 140.  
 Dollar stabilization, Hoover demands, 233.  
 Dolley, Stephen B., appointment of, 443.  
 Donnahoe, O. N., successor named, 457*n*.  
 Dorsett, J. Dewey, appointment of, 271, 446; successor named, 447*n*.  
 Doshier, Wilbur, appointment of, 466; resigns, 467*n*.  
 Doughton, R. A., appointment of, 473.  
 Doughton, R. L., appointment of, 282.  
 Dowd, W. C., Jr., appointment of, 453; resigns, 453*n*.  
 Downs, Robert B., appointed delegate, 324.  
 Drayton, William, Jefferson's letter to, quoted, 205.  
 Drivers' licenses, not solution to problem of highway safety, 46.  
 Drum, Renn, successor named, 459*n*.  
 Duke Endowment, activity of, 120, 121; governor speaks at anniversary of, 120.  
 Duke, James Buchanan, address about, 120; Duke Foundation reflects spirit of, 121.  
 Duke University, center of Duke Foundation's activity, 121; reference to, 419.  
 Dunlap, Frank L., appointment of, 275, 470; assists in survey, 290.  
 Dunn, Albion, appointment of, 452.  
 Dunn, J. Allan, appointment of, 456.  
 Dunn, R. C., appointment of, 458, 468.  
 Dunn, William, appointment of, 458; successor named, 459*n*.  
 Durant, George, leads rebellion, xxii.  
 Durham, tax burden decreased in, 284.  
 Durham County, deserves appointment, 319; taxes analyzed, 149; tax relief shown, 160.  
 Durham Life Insurance Company, governor thanks, 219.  
 Dwire, Henry R., appointment of, 444; successor named, 451*n*.  
 Dysort, Herbert W., appointment of, 446.

## E

- Early States Potato Committee, provides information, 337.



- East Carolina Teachers College, appointments to board of, 448; Ehringhaus helps establish, xv, 97.
- East Carolina Training School for Boys, appointments to board of, 452.
- Edenton, described, xxiii.
- Edison, Charles, letter from, 341; urges continuation of enthusiasm, 341.
- Education, equalized between city and country, 148, 158; governor discusses condition of, in State, 210 ff; governor discusses future financing of, 129; governor endorses cardinal principles of, 98; in United States, not built on sound basis, 130; State's contribution to, compared with that of other states, 211.
- Educational program, should be planned so as to eliminate poverty, 130.
- Efird, Oscar O., appointment of, 469.
- Ehringhaus, Catherine Colville Matthews, mother of governor, xv.
- Ehringhaus, Erskine, father of governor, xv.
- Ehringhaus, Haughton, son of governor, xvi.
- Ehringhaus, John Christoph Blucher, accepts invitation to address farmers, 238n; address by, 91, 92, 93, 97, 101, 103, 104, 108, 111, 120, 122, 124, 129, 131, 140, 146, 151, 152, 164, 169, 176, 182, 191, 193, 196, 200, 205, 210, 212, 219, 226, 238, 258, 268; addresses North Carolina Society for the Preservation of Antiquities, xxi; answers criticisms, 202; appeals for harmony, 16; appearance before National Social Security Board, delayed, 321; asked to write on public service careers, 366; asks coöperation with President, 69; asks fair tobacco price, 329; asks secretary of agriculture to look into tobacco situation, 71; attends General Assembly, xv; attends University of North Carolina, xv; attitude toward family, xxi; balances budget, xi; believes State should pay honest debts, 139; birth of, vii, xv; called to Washington, 263; calls joint session of General Assembly, 22; calls National Guard in strike situation, 303; campaigns for Alfred E. Smith, xvi; characterized by "activism," x; citation for honorary degree, vii; cites record regarding tobacco control, 217, 249, 266; co-author of bills in General Assembly, xv; college days of, forecast public career, viii, ix; commends General Assembly, 16, 31; considers criticism inevitable, 396; contribution to education, xviii; death of, viii; delighted over new highway, 301; democratic attitude of, xix, xx, xxi; describes crisis of 1933, 33; describes North Carolina political scene, 194; describes people of the Albemarle, xxii; disagrees with budget of predecessor, 18; economy measures of, xi; embarrassed by sirens, xx; ends toll on bridges, ix, xiv; explains budget recommendations, 53; expresses gratitude for testimonial, 107; faces angry farmers, xix; farmers and children nearest heart of, 140, 145; finds banks in bad condition, x; first to suggest tobacco compacts, 217; foresees shrinkage of highway fund, 20; friends give Buick to, xvi; guest of honor at Fort Bragg, 324n; halts excessive economy, 35; has no political motives, 204, 218; invites listeners to North Carolina, 152; issues executive order, 425; issues New Year greetings, 307; issues writ of election, 427; leads in rural electrification, xv; leaves office with finality, viii; letter from, 342, 343, 345, 349, 351, 355, 356, 362, 364, 365, 368, 370, 371, 389, 395, 397, 400, 401, 404, 412, 413, 416, 418, 420; letter to, 341, 345, 354, 365, 366, 369, 370, 372, 377, 382, 388, 392, 393, 394, 400, 405, 407, 411, 414, 415, 419; life of, threatened, xix; lists advantages of sales tax, 28; lists his activities on behalf of education, 97; makes recommendations to General Assembly, 39 ff; makes tax proposals, 30; marries Matilda Bradford Haughton, xvi; name added to list of governors, 433; not a candidate for public office, 251, 332; not detached from North Carolina politics, viii; parentage, xv; postpones revenue and finance bills, 21; praised,

xvii; prefers economy to additional levies, 19; presents tobacco limitation plan, 115; proclamation by, 65, 66, 67, 69, 70, 72, 73, 74, 75, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88; promises economical administration, 150; quotes his platform, 417; receives valedictory from co-workers, xvi; recommends balanced budget, 21, 55; recommends bill enabling State to participate in Federal spending, 58; recommends constitutional amendments, 50; recommends designation of non-essentials in budget, 19; recommends economy, 9, 10, 11, 19; recommends economy in local government, 14; recommends fees be turned in to general fund, 15; recommends improvement in agriculture, 15; recommends improvement in tax laws and collections, 52; recommends no new commitments, 12; recommends provision for schools, 27; recommends relief of property levy, 8; recommends revaluation of property, 7; recommends sales tax, 26 *ff*; recommends unemployment insurance, 179; record as a Democrat, xvi; reduces salaries, 274*n*; refuses to be photographed with Luke Lea, ix; refuses to call special session, xix; regrets necessity for sales tax, 27; renews notes, 277*n*; resolution supporting, 425; restates financial problem, 23; restores executive control of budget, x; Roosevelt's obligation to, xv; serves as solicitor, xvi; signs proclamation, 88; similarity to Oliver Max Gardner and Franklin D. Roosevelt, xv; special messages from, 17, 21, 22, 31, 51, 55; statement by, 271, 272, 274, 275, 276, 277, 278, 280, 281, 282, 283, 284, 287, 288, 289, 292, 293, 295, 296, 297, 299, 300, 301, 302, 303, 305, 306, 307, 308, 309, 311, 312, 314, 315, 317, 318, 319, 320, 321, 322, 323, 324, 325, 328, 331, 332, 333, 334, 335, 336; states reasons for special session, 59; submits bills to General Assembly, 56; supported by Oliver Max Gardner, xvi; telegram from, 347, 348, 349, 358, 359, 360, 361, 377, 379, 380, 381, 389, 396, 406, 408, 410, 412, 417, 421; telegram to, 348,

359, 380; theatricalism thrust upon, ix; unable to attend governors' conference, 417; urged to call special session, 238*n*; urged to lead in tobacco crisis, 266; urges adoption of amendments, 333; urges coöperation in production, 112; urges honest thinking and fair-minded discussion, 200 *ff*; urges intelligent coöperation in growing crops, 205; urges people to know state affairs, 144; urges tobacco farmers to cut crop, 256; urges voluntary sign-up, 323*n*; warns against diversion of highway funds, 12, 19, 24; warns against excessive economy, 26; warns against refunding maturing obligations, 20; welcomes General Assembly, 32, 51; will appoint tobacco commission, 267; would not advise public service as career, 370.

Ehringhaus, Mrs. J. C. B., brings Norman Cordon to Executive Mansion, xx.

Ehringhaus, John Christoph Blucher, Jr., appointment of, 470; son of governor, xvi.

Ehringhaus Administration, accomplishments of, xii; achievements listed, 429; compared with reconstruction period, 202; economy of, 161; no borrowing during, 198; problems faced by, 124; savings of, enumerated, 433; tries to increase prices, 209.

Eighteenth amendment, governor's views on repeal of, 282, 283; people to vote on convention to repeal, 282*n*.

Election laws, adjustments in, recommended, 47.

Elizabeth City, Ehringhaus helps secure high school in, 98; Ehringhaus on school board of, 98; mentioned, xxiii; property tax of, formerly supported schools, 157; state song sung at, 141.

Elliot, Harriett, appointment of, 475.

Emergency Compensation Insurance Fund, authorized, 309.

Emergency judges, appointment of, 471.

Employees, urged by governor to conform to National Recovery Act, 277.

Employment Security, problems of attaining, 178.

Employment service, important to

labor, 176; recommended to be established, 49.  
 Enloe, Scroop W., appointment of, 448.  
 Enloe, W. G., appointment of, 452.  
 Equalizing fund, Pasquotank County benefits from, 157.  
 Ervin, Samuel J., Jr., appointment of, 443.  
 Erwin, Clyde A., appointment of, 448, 471, 474, 475; successor named, 473*n*; to mark centennial, 428.  
 Etheridge, R. Bruce, appointment of, 448, 471; successor appointed, 449*n*.  
 Etheridge, T. C., successor named, 459*n*.  
 Eure, Thad, appointment of, 470.  
 Evans, Leslie B., successor appointed, 451*n*.  
 Evans, Mrs. May Thompson, appointment of, 301, 462, 271.  
 Everett, J. LeGrande, successor named, 457*n*.  
 Ewing, W. C., appointment of, 448.  
 Executive Mansion, benefits from governor's tenure, xx.  
 Experiment Station, appropriation for, 356.  
 Extension Service (State College), aid to be enlisted in tobacco crisis, 224; men of, are human, 256.

## F

Faison, Mrs. I. W., successor named, 455*n*.  
 Farm Bureau Federation, aid to be enlisted in tobacco crisis, 224; to be represented on commission, 267.  
 Farm Debt Adjustments, appointments to committee to study, 473.  
 Farmers, aware of benefits to agriculture, 237; benefits of, in North Carolina, 218; cheaper lime sought for, 420; close to heart of governor, 140, 145; cotton acreage reduction program presents opportunity for, 276; lower fertilizer prices sought for, 306; see also Tobacco farmers and Potato growers.  
 Farming methods, geared to overproduction, 112.  
 Faulk, J. G., appointment of, 464.  
 Fayetteville Colored Normal School, appointments to board of, 454.  
 Fearing, Isaiah, appointment of, 446; declines appointment, 447*n*.

Federal Emergency Relief Administration, relief grant to State made through, 320; stops funds for transient camps, 392.  
 Federal funds, increase in, not effected by fictitious salary schedule, 297, 298.  
 Federal government, should provide leadership and education in criminal law enforcement, 168.  
 Federal Housing Administration, set up to aid property owners, 78.  
 Federal Relief Department, asked to take potatoes off market, 299; assistance of, asked in potato crisis, 362, 363.  
 Federal Relief for North Carolina, appointment of committee on, 475.  
 Federal Trade Commission, investigates price of fertilizer, 308*n*; referred to, 394.  
 Fenner, William E., asked to represent North Carolina, 406; resigns, 453*n*.  
 Fergus, Roy C., appointment of, 467.  
 Fertilizer, Federal Trade Commission investigates price of, 308*n*; lower prices sought for, 306.  
 Fieser, James L., statement issued at request of, 283*n*.  
 Filling stations, to help collect taxes, 94.  
 Finch, R. E., appointment of, 446.  
 Finch, T. Austin, appointment of, 301, 462.  
 Finch, W. Atlas, Jr., appointment of, 452.  
 Finley, Kate, resigns, 475*n*.  
 Finley, T. B., appointment of, 471.  
 Fire drills, necessary in all school buildings, 87.  
 Fire Prevention Week, governor proclaims, 79, 83, 87.  
 Fiscal problem, solution to, 171.  
 Fisher, Henry E., appointment of, 379, 458.  
 Fisher, Lewis, appointment of, 462.  
 Flanagan, E. G., appointment of, 448.  
 Fleishman, Maurice, appointment of, 323, 454.  
 Fletcher, A. L., appointment of, 300, 305, 462; governor praises work of, 177, 179; letter from, 358; letter to, 404; member of commission, 462; requests investigation of textbook, 358.  
 Fletcher, Inglis, mentioned, xxii.



Florida, can take no more transients, 392; telegram to governor and commissioner of agriculture of, 410.

Flowers, R. L., appointment of, 456.

Flying squadrons, advised to work peacefully, 380; governor demands unlawful activities of, stopped, 381.

Foister, R. W., appointment of, 468.

Folger, A. D., appointment of, 443.

Folger, B. F., appointment of, 475.

Folger, John H., appointment of, 444.

Forbes, Mrs. Charles S., appointment of, 448.

Foreman, Clark, quoted, 110.

Forester, G. W., appointment of, 473.

Forsyth County, appointments to court of, 469; taxes analyzed, 150; tax relief greater than chart indicates, 284; tax relief shown, 160, 284.

Fountain, R. T., appointment of, 452.

Franchise taxes, high in North Carolina, 163.

Francis, W. R., successor appointed, 449*n*.

Franklin County, governor fails to reach sheriff of, 314; governor has no advice from law enforcement officers in, 315; lynching in, 314.

Franklin County Board of Election, writ directed to, 426.

Frank Page Special Memorial Commission, appointments to, 464.

Freeze, R. F., appointment of, 453.

Freight rate discrimination, fought in North Carolina, 209.

Full crew law for benefit of railroads, fails temporarily to become North Carolina law, 189.

Fuller, Jones, appointment of, 464.

## G

Gardner, Oliver Max, appoints J. W. Harrelson, 280*n*; borrows large sum, 277*n*; deficit accumulated during administration of, 273*n*; foresees financial difficulties, 4; inherits obligations from predecessors, 280; much said of expenditures of, 278; recommends salary cuts, 274*n*, referred to, 433; similarity to Ehringhaus and Franklin D. Roosevelt, xv; stimulates Roosevelt campaign of 1932, xv; supports Ehringhaus, xvi.

Gasoline prices, analyzed, 374; complained about, 370; governor interested in, 371; reasons for differences in, 372 *ff*.

Gasoline taxes, not paid by cut-rate dealers, 375.

Gasoline terminal, appointments to commission for, 466.

Gaston, W. Grady, appointment of, 444.

Gastonia Chamber of Commerce, governor addresses, 124.

Gates County, tax relief shown, 160.

General Assembly, asked to postpone revenue and finance bills, 21; awaits congressional action on unemployment insurance, 179; called into special session, xiv; commended by governor, 16; conference to study bills to be presented to, 309; confronted by three problems, 34; increases functions of Revenue Department, 290; joint session of, called, 22; moves to avert crisis, 35; resolution by, 428; special message to, 55; to commemorate anniversary of common schools, 84.

General fund, derivation of, 200; explanation relating to, 278 *ff*.

Georgia, abandons tobacco allotments, 218; contribution to education, 211; crops already planted in, 257; has ineffectual tobacco sign-up, 247; may rob North Carolina of tobacco markets, 259; no chance of control legislation in, 216; secures fifty per cent sign-up, 261; sign-up fails in, 331; telegram to governor and commissioner of agriculture of, 410; tobacco compacts hinge on action by, 220; tobacco control failure in, 214; will fight curb on interstate movement of tobacco, 245, 259.

Gilbert, Oliver F., defends sales tax, 351*n*; letter to, 351; quoted, 351*n*.

Giles, D. G., successor named, 459*n*.

Gilkey, J. Q., appointment of, 282, 448.

Gill, Edwin, appointment of, 470; letter to, 415; prepares statement on paroles, 335; requests survey, 336.

Gilliam, C. W., appointment of, 469.



- Gilliam, Donnell, appointment of, 466.
- Gillikin, U. M., appointment of, 458.
- Glasson, William H., appointment of, 300.
- Glass-Steagall bill, state money draws no interest in New York banks because of, 96.
- Gleason, William H., appointment of, 462.
- Glenn, L. N., appointment of, 450.
- Glenn, R. B., receives Spanish American War fund, 397*n*; referred to, 419.
- Glenn, Manly, and Herndon, employment of, 397*n*.
- Goerch, Carl, successor appointed, 449*n*.
- Gold, John D., finds gas prices differ, 370, 371.
- "Golden Weed Jubilee," governor addresses, 104.
- Goode, J. A., successor appointed, 443*n*.
- Goodman, G. W., complaint of, investigated, 377.
- Government, attempts to serve, not appreciated, 94; gets lifeblood from business, 196; is a business, 196.
- Governors of Southern States, telegram to, 410.
- Governor's personal staff, appointments to, 443.
- Grady, J. C., successor named, 455*n*.
- Graham, A. H., invited to conference, 309; quoted as favoring amendments, 334; telegram to, 357.
- Graham, A. McL., appointment of, 444.
- Graham, Frank P., loan of, refused, 349; North Carolina cannot spare, 351; reads citation to Ehringhaus, vii; to continue as adviser of N. R. A., 350.
- Graham, O. H., death of, 461*n*.
- Graham, W. A., asked to attend hearing, 308*n*; asked to compile data for hearing, 306; reference to, 224; to attend cotton meeting, 349.
- Graham County, appointment of treasurer of, 470.
- Grange, aid to be enlisted in tobacco crisis, 224; requests governor to head rural electrification movement, 389; to be represented on commission, 267; wants special session, if Congress acts, 217.
- Gravely, L. Lee, appointment of, 333, 446, 466; declines appointment, 467*n*; invited to conference, 309.
- Graves, Louis, appointment of, 473.
- Greater University of North Carolina, consolidation of, 350.
- Great Smoky Mountains Park, attracts visitors, 432; needs 1,000-foot right-of-way, 388; route of, 382.
- Green, George C., appointment of, 444.
- "Green Pastures" rally, president addresses, 268*n*.
- Greensboro, appointments to municipal court of, 462.
- Griffith, Robert W., appointment of, 457; death of, 459*n*.
- Griffiths, George A., successor named, 457*n*.
- Grigg, J. H., appointment of, 474.
- Grisette, Felix, appointment of, 474.
- Guilford College, contributions to State, 123; governor addresses centennial celebration of, 122; leaders of, 123.
- Guilford County, tax burden decreased in, 284; taxes analyzed, 148; tax relief greater than chart indicates, 284; tax relief shown, 160.
- Guy, R. P., appointment of, 468.
- Gwyn, A. L., appointment of, 282.
- Gwyn, Allen H., appointment of, 472.
- Gwyn, T. L., successor named, 457*n*.

## H

- Hackett, J. Gordon, appointment of, 466.
- Hackney, John N., appointment of, 452, 467.
- Hall, Claude, agrees to large tobacco crop, 250; makes announcements in tobacco crisis, 263; reference to, 248, 251, 253; referred to, 250.
- Hamby, J. R., appointment of, 463.
- Hamilton, Alexander, followers of, bring shame to, 237.
- Hamilton, Joseph Gregoire deRoulhac, to serve as delegate, 301.
- Hamilton, Luther, appointment of, 323, 458, 459; successor named, 459*n*.
- Hammonds, S. A., appointment of, 449.

- Hampton, W. O., appointment of, 474; resigns, 475*n*.
- Hamrick, Fred D., successor named, 455*n*.
- Hancock, F. W., Jr., appointment of, 456; telegram to, 408.
- Hancock, F. W., Sr., appointment of, 456.
- Hanes, Alex. S., appointment of, 464.
- Hanes, Fred, appointment of, 473.
- Hanes, Robert M., appointment of, 446.
- Hanft, Frank William, appointment of, 292, 467.
- Hankins, G. Foster, appointment of, 447, 454.
- Hardee, Cary A., telegram to, 417.
- Harding, F. C., appointment of, 448.
- Harding, Warren G., reference to, 232.
- Hardison, James A., appointment of, 274, 465.
- Hardy, Ira M., resigns, 453*n*.
- Harrell, A. F., appointment of, 468.
- Harrelson, J. W., appointment of, 280, 280*n*, 448, 471; successor appointed, 449*n*.
- Harris, R. L., appointment of, 446, 474.
- Harriss, George, death of, 471*n*.
- Hart, J. E., appointment of, 451; resigns, 451*n*.
- Hartness, J. A., appointment of, 462; death of, 463*n*.
- Hartsell, E. H., appointment of, 474.
- Hartsell, Luther T., Jr., appointment of, 468.
- Hartsell, Luther T., Sr., appointment of, 454.
- Harvey, Charles Felix, Jr., death of, 451*n*.
- Harvey, John R., successor named, 453*n*.
- Harvey, Leo, appointment of, 468.
- Haughton, Matilda Bradford, marries J. C. B. Ehringhaus, xvi.
- Haughton, Susan Lamb, mother of Mrs. J. C. B. Ehringhaus, xvi.
- Haughton, Thomas Benbury, father of Mrs. J. C. B. Ehringhaus, xvi.
- Hawfield, R. R., letter to, 356.
- Haywood, Hubert B., Jr., appointment of, 443.
- Haywood County, tax relief shown, 160.
- Health legislation, proposed by Californian, 132.
- Heh, A. A., successor named, 461*n*.
- Heine, Frank R., appointment of, 457.
- Henderson, Mrs. Isabel Bowen, appointment of, 445.
- Hendley, Ben E., appointment of, 461.
- Hendren, W. M., appointment of, 465.
- Henry, S. T., appointment of, 472.
- Herring, Harriett, appointment of, 305.
- Hertford, N. C., described, xxiii.
- Hester, John W., originator of tobacco control, 263; quoted, 247.
- Hicks, A. A., appointment of, 466.
- Hicks, S. H., appointment of, 458.
- Higgins, Carlisle W., resigns, 473*n*.
- High Point, N. C., appointment of judge for, 475.
- Highsmith, J. Frank, appointment of, 456.
- Highways, appointments to committee to investigate, 466; improved, 431; state maintenance of, enables state to transport children, 172.
- Highway accidents, governor deplores, 288.
- Highway Department, consolidation of, with Prison Department, is financial improvement, 36; consolidation with Prison Department, recommended, 11; merged with Prison Department, 274; suffers loss through illness of head, 44.
- Highway fund, diversion of, opposed, 44; not diverted by consolidation of Highway and Prison Departments, 37; should not be diverted, 12, 19, 24; shrinkage of, foreseen, 20; surplus should not be diverted, 162.
- Highway Patrol, called on after lynching, 314; called on in strike, 380; directed to work against careless driving, 289; increase of, asked, 46; transferred to Revenue Department, 290.
- Highway safety, appeal for, 45; governor urges, 331.
- Highway surplus, should be used for highway improvement, 368.
- Highway system, construction program needed, 44; should have adequate maintenance, 12; state relieves property of support of, 157; suffers from economies, 43, 44; threatened by lack of revenue, 25, 26; work on, to alleviate unemployment, 55.

- Hill, Frank S., appointment of, 443.  
 Hill, George Watts, successor named, 455*n*.  
 Hill, J. N., appointment of, 450.  
 Hill, John Sprunt, appointment of, 301, 462, 464, 474.  
 Hines, Charles A., appointment of, 454, 466.  
 Hines, Harvey C., appointment of, 460; declines appointment, 461*n*.  
 Hinton, J. L., appointment of, 467.  
 Hipps, W. H., appointment of, 458.  
 Hobbs, S. H., Jr., appointment of, 472.  
 Hodges, Luther, appointment of, 274, 465; letter to, 400; resignation accepted, 400; resigns, 465*n*.  
 Hoey, Clyde R., quoted as favoring amendments, 334.  
 Hoke County, tests rural electricity, 391.  
 Holler, C. J., appointment of, 444.  
 Holloway, James H., appointment of, 458, 459; successor named, 459*n*.  
 Holt, W. N., successor named, 461*n*.  
 Home foreclosures, governor asks forbearance in, 289.  
 Honeycutt, A. W., appointment of, 474.  
 Hood, Gurney P., appointment of, 463; finds no embezzlement, 344.  
 Hook, Walter W., appointment of, 466.  
 Hooks, W. E., appointment of, 451.  
 Hoover, Herbert, address of, draws governor's attention, 227; governor answers criticisms by, 228 *ff*; sends troops against bonus marchers, 229; signs tariff bill, 230.  
 Hopkins, Harry L., suggests governor's letter, 389; values North Carolina experience in rural electrification, 393.  
 Horne, J. L., Jr., appointment of, 448, 472.  
 Horne, Pearce, appointment of, 462.  
 Horne, Warren W., appointment of, 456; resigns, 457*n*.  
 Horne, W. W., appointment of, 456.  
 Horner, Earl B., appointment of, 462; resigns, 463*n*.  
 House Committee on Agriculture, quotation from report of, 264; warned of danger, 327.  
 Howe, Fred C., letter to, 365; potato crisis brought to attention of, 364, 365.  
 Howle, E. B., appointment of, 460.  
 Hudson, Henry, sentence commuted, 317.  
 Hughes, L. Roy, appointment of, 469; successor named, 469*n*.  
 Humphrey, Don C., appointment of, 458; successor named, 459*n*.  
 Hunt, C. A., Jr., successor named, 459*n*.  
 Hunter, Baxter, Jr., appointment of, 463.  
 Hunter, Hill M., successor named, 457*n*.  
 Huske, W. O., appointed delegate, 323.  
 Hutchins, Charles, appointment of, 282.  
 Hutchins, Fred S., appointment of, 453.  
 Hutchinson, Mrs. B. H., appointment of, 469.  
 Hutson, J. B., governor disagrees with actions of, 251; telegram to, 361, 389; urged to arrange tobacco referendum, 389.  
 Hyatt, J. L., successor appointed, 449*n*.
- ## I
- Ickes, Harold L., letter from, 382, 388; selects North Carolina route for highway, 382; sends drafts of bills, 309.  
 Illinois, small contribution of, to education, 211.  
 Inaugural address, 3; sent to New Jersey, 403.  
 Industrial Farm Colony for Women, appointments to board of, 460.  
 Insane and mentally defective, appointments to committee to study, 473.  
 Institute of Government, governor praises, 167.  
 Insurance Commission, recommends amendment, 310.  
 Insurance companies, required to provide Workmen's Compensation coverage, 185.  
 Insurance Department of North Carolina, works with governor on building code, 296.  
 International Association of Government Labor Officials, governor addresses, 176.  
 Iredell, James, governor inherits mantle of, 131*n*; referred to, xxi.  
 Irish potatoes, crisis affects North Carolina and Virginia, 364; cri-



sis discussed, 362, 363; meeting called to study crisis in, 304; overproduction of, causes crisis, 299; reduction of acreage desirable, 336.

Isaacs, Sol, successor named, 459*n*.  
Ives, Charles L., appointment of, 458.

J

Jackson, Andrew, compared with Thomas Jefferson, 201; has first cabinet officer from state of Michigan, 227; responsible for victory at New Orleans, 201.

Jackson, Frank L., appointment of, 444.

Jackson Day Dinner, commemorates more than battle, 200.

Jacobs, L. W., appointment of, 449.

Jarrett, R. F., appointment of, 460; successor named, 461*n*.

Jefferson, Thomas, compared with Andrew Jackson, 201; discusses formation of agricultural society, 205; governor pays tribute to, 227; letters from, quoted, 205; Michigan's connections with, 226; quoted, 92.

Jeffersonian traditions, governor discusses, 226 *ff*.

Jeffress, E. B., appointment of, 465, 472; illness of, 427; letter to, 366; resigns, 465*n*; to aid park committee, 282; to be chairman of new State Highway and Public Works Commission, 274.

Jennings, Miles, story about, 134.

Jensen, Howard E., appointment of, 468.

Johnson, Charles M., invited to conference, 309; makes statement about fund, 314*n*.

Johnson, Mrs. Charles M., appointment of, 448.

Johnson, Curtis B., appointment of, 474.

Johnson, Mrs. Frank L., appointment of, 455.

Johnson, Hugh S., approves peanut code, 354; letter to, 349.

Johnson, J. N., appointment of, 443.

Johnson, Rivers D., appointment of, 459; successor named, 459*n*.

Johnson, Robert Grady, invited to conference, 309.

Johnson, Thomas L., appointment of, 448.

Johnston, Knox, appointment of, 451.

Johnston County Board of Election, writ directed to, 426.

Jones, J. A., appointment of, 467.

Jones, Marvin, receives tobacco proposals, 264; referred to, 325.

Jones, Millard F., appointment of, 473.

Jones, W. B., appointment of, 468.

Joyner, Andrew, Jr., appointed delegate, 297.

Joyner, J. Y., establishes rural high school system, 97; telegram from, 361; telegram to, 347.

Joyner, William H., appointment of, 455; death of, 455*n*.

Journey, Buren, appointment of, 446, 450.

K

Kane, George W., appointment of, 466.

Kansas, contribution to education, 211.

Kappa Delta Pi, governor addresses Duke Chapter of, 129.

Kelloway, C. J., appointment of, 463; resigns, 463*n*.

Kendrick, W. F., appointment of, 468.

Kentucky, contribution to education, 211; governor of, proclaims tobacco marketing holiday, 74; representative of, leaves conference, 326; teachers paid in script, 352; telegram to governor and commissioner of agriculture of, 410.

Kerr, John H., approves increased crop, 327; governor differs with, 325*n*; governor makes reply to, 325 *ff*; governor makes reply to, 328 *ff*; introduces bill, 220; introduces resolution, 263; letter from, 405; pleads for tobacco buyers, 327; presents bill before committee of Congress, 246; quoted, 325, 326; requests North Carolina delegate, 405; seeks rebuke for governor, 327; takes credit for increased prices, 328; telegram to, 406, 408.

Kerr-Smith act, collections under, 223; governor differs with co-author about, 325*n*; provision of, 241.

Kidder, George E., appointments of, 463; successor named, 463*n*.

King, Horace T., appointment of, 467.



Kinley, Kate, appointment of, 474.  
 Kirby, G. S., appointment of, 450.  
 Kitchin, Leland H., appointment of, 464, 475.  
 Kitchin, Thurman D., appointment of, 446, 474.  
 Kitchin, W. W., referred to, 443.  
 Koiner, George W., letter from, 394.  
 Koontz, H. L., letter to, 343.  
 Kosterman, J. A., appointment of, 460; successor named, 461*n*.  
 Kuykendall, E. D., appointment of, 462.

## L

Labor, benefits from tax exemption of homes, 188; change of attitude toward, 190; governor discusses problems of, in North Carolina, 176 *ff*; moral as well as legal obligations to, 177; objectives for, 190; pays for textbooks, 359; schools greatest benefit of, 187.  
 Labor Department, appropriation increased, 184; begun in depths of depression, 184; enlarged, xiv; governor praises, 177; report of, recommended, 49.  
 Labor legislation, governor enumerates, 182 *ff*.  
 Lambeth, John W., appointment of, 463; death of, 463*n*.  
 Langley, Gus Colon, letter from, 415.  
 Langston, John D., appointment of, 452; resigns, 453*n*.  
 Langston, Mrs. John D., successor named, 459*n*.  
 Lanier, J. Con, draws contracts, 224.  
 Large, H. H., appointment of, 443.  
 Lassiter, Ben K., appointment of, 456.  
 Lassiter, Robert, appointment of, 458; successor named, 459*n*.  
 Latane and Latane, *American History for Young Americans*, labor disapproves, 358.  
 Latham, J. E., successor named, 455*n*.  
 Latham, Robert, successor appointed, 447*n*.  
 Laughinghouse, Charles O'Hagan, James Marion Parrott succeeds, 306*n*.  
 Lawrence, R. R., appointment of, 466; governor will not answer telegram of, 303; requests with-

drawal of textbook, 357, 359; telegram from 358, 359, 380; telegram to, 359, 360, 380, 381.  
 Layfield, E. L., appointment of, 467.  
 Lea, Luke, applies for pardon, 312; Ehringhaus refuses to be photographed with, ix; governor refuses to pardon, 313.  
 Leavitt, Halsey B., letter to, 397.  
 Lennon, Alton A., appointment of, 470; declines appointment, 471*n*.  
 Lenroot, Katherine, commends North Carolina, 404.  
 Leonard, M. M., appointment of, 461.  
 Levy, Sam, successor named, 461*n*.  
 Lewis, Kemp P., appointment of, 271.  
 Lewis, Nell Battle, successor named, 457*n*.  
 Lewis, Sherman T., appointment of, 457.  
 Lilly, H. W., successor named, 455*n*.  
 Lilly, R. M., appointment of, 454.  
 Lime, made cheaply available, 209.  
 Lime deposits, utilization recommended, 420, 421.  
 Lincoln, Abraham, quoted, 163.  
 Lindsay, Harry, appointment of, 448.  
 Linn, Stahle, successor appointed, 447*n*.  
 Liquor Control Commission, appointments to, 466.  
 Little, Mrs. R. E., successor named, 461*n*.  
 Little, T. O., appointment of, 461.  
 Littlejohn, Frank N., criticizes, parole office, 317; fails to protest advertised paroles, 317; governor replies to statements of, 315; recommends paroles, 316.  
 Live-at-Home Campaign, inauguration of, 111.  
 Livestock production, governor recommends increase in, 116; to relieve fertilizer cost, 119.  
 Livingston, Robert R., Jefferson's letter to, quoted, 205.  
 Llewellyn, H. H., appointment of, 470.  
 Local government, bill regarding, submitted, 56; given tax relief, 158; high cost of, 167; relieved of school support, 198; supported by property tax, 170.  
 Local Government Commission, appointments to, 462; transfer to Treasury Department recommended, 11.

Locke's Grand Model, attempted in Albemarle, xxii.  
 Locklear, A. N., appointment of, 449; death of, 449*n*.  
 Locklear, C. E., appointment of, 464.  
 Locklear, P. M., successor appointed, 449*n*.  
 Loftis, V. P., appointment of, 444.  
 London, H. M., appointment of, 465.  
 Long, Mrs. J. Dolph, appointment of, 469.  
 Lord, W. H., death of, 465*n*.  
 Louisburg, governor calls upon chief of police of, 314.  
 Love, James Lee, appointed delegate, 324.  
 Lowery, D. F. appointment of, 449.  
 Lowery, E., appointment of, 449.  
 Lowery, John R., appointment of, 464.  
 Lowery, M. L., appointment of, 449.  
 Lowery, Ralph appointment of, 449.  
 Loyalty, discussed in address by governor, 122 *ff*.  
 Lucas, W. A., appointment of, 455.  
 Lynch, James B., appointment of, 464.  
 Lyon, Terry A., appointment of, 475.

M

McAllister, A. W., appointment of, 461.  
 McAnally, W. J., appointment of, 454.  
 McCabe, J. B., successor appointed, 445*n*.  
 McCall, A. G., appointment of, 451.  
 McCall, Fred B., appointment of, 464.  
 McCarthy, Charles E. A., appointment of, 462.  
 McClelland, Royce S., appointment of, 443.  
 McClung, J. A., successor named, 461*n*.  
 McClure, James G. K., Jr., successor appointed 449*n*.  
 McConnell, D. E., successor named, 461*n*.  
 McConnell, James M., appointment of, 456; death of, 457*n*.  
 MacConnell, J. W., appointment of, 451.

McCulloch, E. F., death of, 274*n*.  
 McDermott, Malcolm, appointed delegate, 297.  
 McDevitt, N. B., successor appointed, 449*n*.  
 McDonald, Ralph W., quoted as favoring constitutional amendments, 334.  
 McDowell County, has lime deposit, 420.  
 McDuffie, Roger A., appointment of, 456.  
 McEachern, Laurie, appointment of, 446.  
 McGehee, J. W., appointment of, 446.  
 McKee, Mrs. E. L., appointment of, 271.  
 MacKeithan, Mrs. E. R., appointment of, 456.  
 McKimmon, Mrs. Jane S., appointments of, 472.  
 McLean, Allen, successor named, 455*n*.  
 McLean, Angus W., appointment of, 271; appoints Willis James Brogden, 319*n*; referred to, 433; successor named, 463*n*.  
 McLendon, L. P., appointment of, 444, 454, 455; writ of election directed to, 426.  
 McMillan, R. L., successor named, 453*n*.  
 McMullan, Harry, appointment of, 446; resigns, 447*n*; to direct Division of Assessments and Collections, 291.  
 McNair, James L., appointment of, 448.  
 McNeill, George, appointment of, 456; resigns, 457*n*.  
 McNeill, Mrs. George, appointment of, 456.  
 Macon, Gideon H., successor named, 453*n*.  
 McPheeters, S. B., appointment of, 450.  
 McQueen, Malcolm, appointed delegate, 323.  
 McRay, Hugh, appointment of, 454.  
 McSwain, Peyton, appointed delegate, 297.  
 Maddy, Charles E., appointment of, 271.  
 Mallison, P. E., appointment of, 460.  
 Mangum, Charles S., appointment of, 450.  
 Manning, Charles M., introduction of governor, quoted, 131*n*.

- Manning, John Hall, appointment of, 443.
- Mansfield, A. L., appointment of, 467.
- Manufacturers, to help collect taxes, 94.
- Marketing, governor suggests state assistance in, 118.
- Marr, Wade S., successor appointed, 449*n*.
- Marshall, B. H., appointment of, 463.
- Martin, Walter R., successor named, 565*n*.
- Maryland, referred to, 325; telegram to governor and commissioner of agriculture of, 410.
- Massachusetts, North Carolina takes textile leadership from, 189; pays insurance taxes collected throughout Nation, 175.
- Matthews, Basil, praises Negro high schools in North Carolina, 110.
- Matthews, Ben V., appointment of, 468.
- Maxton, N. C., suggested trade center for cotton, 119.
- Maxwell, A. J., appointment of, 275, 333, 470; approves constitutional amendments, 333; praises Ehringhaus, xvii.
- Maynor, Carl Lee, appointment of, 449.
- Mayo, Charles, writes about medical careers, 366.
- Mecklenburg County, parole and pardon statistics, 316; tax burden decreases in, 284; tax relief greater than chart indicates, 284.
- Medford, J. W., appointment of, 456.
- Medford, William, appointed delegate, 324.
- Medical Society of North Carolina, governor addresses, 131.
- Menzies, K. C., appointment of, 463.
- Merchants, coöperation of, praised, 106.
- Merchants Association, governor grateful to, 413.
- Mercker, A. E., knows potato situation, 362; letter from, 393; reports potato returns, 337.
- Metts, J. Van B., appointment of, 460.
- Michigan, export figures, 236; governor pays tribute to, 227; history of, suggests Albemarle region, 226; pays automobile taxes collected throughout the Nation, 175; progresses under Democratic party, 226.
- Mickey, R. H., asks road improvement, 367; describes automobile accidents, 367; letter from, 366; letter to, 368.
- Miller, C. L., appointment of, 460.
- Miller, Frank W., appointment of, 274, 465.
- Miller, James I., reasons for visit to governor discussed, 329; urges governor to approve tobacco measure, 330; visits governor's office with John H. Kerr, 327, 328.
- Miller, John L., appointment of, 458; declines appointment, 459*n*.
- Miller, O. L., appointment of, 450.
- Miller, Mrs. Reverdy J., appointed delegate, 305.
- Millis, H. A., appointment of, 473.
- Minges, C. E., appointment of, 460.
- Minimum wage, must be same in all states, 342.
- Mitchell, Adrian, appointment of, 455.
- Monk, J. Y., appointment of, 468.
- Monopolies, National Recovery Administration checks growth of new, 234.
- Montgomery, W. H., appointed delegate, 305.
- Montgomery County, no judge for many years, 332.
- Moore, Clayton, appointment of, 443; resigns, 443*n*.
- Moore, Cutler, appointment of, 451.
- Moore, Dan K., appointment of, 458.
- Moore, Louis T., appointed delegate, 323.
- Moose, W. L., appointment of, 456.
- Morehead City, Marine Terminal at, approved, 369.
- Morehead City (Port) Commission, appointments to, 468.
- Morrison, Cameron, appoints George Ross Pou, 274*n*.
- Moses H. Cone Memorial Hospital, appointments to board, 444.
- Mothers' Day, governor proclaims, 67, 77, 81.
- Motley, F. E., appointment of, 451.
- Mt. Airy, North Carolina, suggested trade center for turkeys, 119.
- Moye, W. S., successor appointed, 449*n*.
- Mull, O. M., appointment of, 450.
- Munroe, J. P., appointment of, 450.
- Murphy, G. W., appointment of, 450.

Murphy, W. B., appointment of, 451.  
 Murphy, Mrs. W. B., appointment of, 448.

## N

Nash, J. F., successor named, 253*n*.  
 Nash County Board of Election, writ directed to, 426.  
 National Budget, Hoover demands balancing of, 233.  
 National Conference on Labor Legislation, governor addresses, 182.  
 National Conference on Street and Highway Safety, delegates named, 297.  
 National Congress of Parents and Teachers, sponsors education week, 85.  
 National Crime Conference, governor addresses, 164.  
 National Education Association, president of, quoted, 100; sponsors education week, 80, 85.  
 National Guard, called on after lynching, 314.  
 National Industrial Recovery Act, protects legitimate business, 376.  
 National Recovery Act, conducts hearing on fertilizer price, 306; drive gets underway, 94; Frank P. Graham drafted for, 349*n*; governor addresses celebration of, 101, 103; governor urges coöperation with, 276, 311, 396, 397; influence of, on monopolies, 234; involves financial sacrifice, 101; standards maintained, 404; to hear testimony on price fixing, 393.  
 National Recreation Congress, delegates to, appointed, 305.  
 National Rivers and Harbors Congress, delegates to, named, 323.  
 National Safety Council, would reduce accident total for June, 1936, 331.  
 National Tax Association, governor appoints delegates to conference, 333.  
 Natural resources, need protection, 75.  
 Navigation acts, disliked in Albe-marle, xxii.  
 Navy, birth of, 191; gives opportunity for culture, 191 *ff*; provides opportunity for youths, 193.  
 Navy Week, address in observance of, 191.  
 Neal, J. I., appointment of, 461.  
 Neal, W. W., appointment of, 447, 453.  
 Negro, schools and colleges for, studied, 42.  
 Negro education, facilities provided for, 109; governor lists advancement in, 109.  
 Negro teachers, advancement in training of, 109.  
 Nelson, William Stuart, leadership of, brings advancement in Negro education, 110.  
 New Bern, governor addresses Chamber of Commerce at, 210.  
 Newbold, N. C., leadership of, brings advancements in Negro education, 110.  
 Newcomb, Marcus W., extends invitation, 401; letter from, 400; letter to, 401.  
 New Deal, accomplishments of agriculture under, 236; breeds confidence, 296, 341; governor believes in, 227; governor discusses Jeffersonian traditions of, 226; Hoover's criticisms of, 231; motivated by the general good, 201; North Carolina plays part in, 295; unemployment figures under, 232.  
 Newell, Hodge A., appointment of, 443.  
 New Hanover County, appointments to recorders' court, 470.  
 New Jersey, contribution to education, 211.  
 Newman, Harriss, appointment of, 466; invited to conference, 309.  
 New Orleans, meaning of battle of, 200.  
 Newsome, M. Eugene, appointment of, 467.  
 New York, compensation insurance measures of, 310; contribution to education, 211; contribution to Federal treasury, 143; governor urges breaking financial strangle hold of, 277; legislation passes minimum wage law, 342; North Carolina money uselessly deposited in, 96; North Carolina notes held in, called, 351; pays import and corporation taxes collected throughout Nation, 175; tax contribution compared with North Carolina's, 174.  
 New York State Chamber of Commerce, governor addresses, 196.  
 Nichols, Annie Laurie, appointment of, 469.



Night school graduates, ambition and aspiration praised, 92.

Night schools, governor addresses graduates of, 92.

Nimocks, Q. K., Jr., successor named, 455*n*.

Noble, M. C. S., Jr., appointment of, 445; assists in survey, 290; to be executive assistant commissioner of revenue, 291.

Noble, M. C. S., Sr., appointment of, 454.

Noland, D. Reeves, appointment of, 455.

Nordic stock, characterized by love of land, 154.

Norfolk Southern Railroad, authorized to pay past due taxes, 281.

North Carolina, achievements benefitting farmers, 209; achieves equalization of schools, 172; assumes maintenance of county roads, 152; assumes support of schools, 127; attracts attention through successful sign-up campaign, 115; auditor's and treasurer's report, 434, 436, 437, 438; banking structure sound, 22, 91, 92; bears 66 per cent of school support, 199; bonds are sound investments, 175; bonds not for sale, 128; bonds not renewable, 139; bonds sell below par, 125; bonds unsaleable, 135; budget must be balanced, 6; bulk of contributions to Federal treasury come from tobacco, 175; burdened with debt, 170; citizens of, plead for prisoner, 312; confronted by three problems, 171; contribution to education, 211; contribution to Federal government, 387; contribution to Federal treasury, 143; credit is good, 127, 156; credit is restored, 32, 36, 273, 430; debit balance reported, 278; does its part in economic crisis, 103, 104; does not regret outlays for schools and highways, 170; economic recovery of, 401; economy program praised, 400; establishes rental system for school books, xii; exercises right of appeal, 388; financial difficulties of, 4, 5; financial status, 155, 295, 296, 352; financial status compared with Nation and other states, 5; financial status discussed by governor, 124 *ff*, 131 *ff*; first in support of Negro education, 110;

first to assume county highway upkeep, 170; first to assume full educational responsibility, xi, xii; first to guarantee eight-month school term, 32, 99, 137; former prisoner grateful for justice of, 415; former residents of, live in many states, 151; Georgia may take tobacco markets from, 259; governor discusses financing of educational future of, 129; governor finds, in desperate financial condition, 133, 134; governor hopes, will pioneer in crime repression, 169; governor praises accomplishments in school system of, 105; governor to discuss future of, 334; has most drastic economy records, 138; has second highest bonded debt, 184; heart and soul are sound, 92, 93; in good economic condition, 307; investments sound, 172; is business enterprise, 152 *ff*; keeps schools open, 137; last to close banks, 91, 135; leads in provision for schools, 41; loses position in cotton market, 240; may increase potato acreage if not controlled, 337; measures up to other states in provision for education, 210; money uselessly deposited in New York, 96; New York holdings absorbed by, 277; next to lowest state in live-stock value, 117; no state property tax in, 152; obliged to lead farmers in right direction, 213; pays her debts, 198; pays teachers promptly, 128, 138; plays part in New Deal, 295; pre-eminence in tobacco production endangered, 247; produces five-sevenths of flue-cured tobacco, 175; proud of her record, 151; receives early Federal funds, 428; recovers from depression, 194; reduces cost of highway maintenance, 152; reduces debt, 413; reduces expenditures, 135, 273; reduces expenses, 352, 402; renews obligations, 272; report on budget of, 278 *ff*; returned to solvency, 137; school improvements listed, 99; schools not closed, 128; second largest contribution to Federal government, 95; should borrow from own citizens, 97; should limit potato acreage, 337; should utilize cash reserves, 96;

- supports highway system, 157;
- takes textile leadership from Massachusetts, 189; takes three steps out of depression, 197; tax contribution compared with New York's, 174; to have scenic highway, 382; to rent texts to school children, 318; transports one-seventh of nation's children, 172, 403; unable to borrow money, 6.
- North Carolina and Western North Carolina Railroad, referred to, 371.
- North Carolina Bank & Trust Company, audit of, requested, 343.
- North Carolina Banking Department, appointments to board of, 463; audits banking institutions, 343; praised, 39.
- North Carolina banks, governor interests, in North Carolina notes, 277*n*.
- North Carolina Board of Accountancy, appointments to, 444.
- North Carolina Board of Agriculture, appointments to, 455.
- North Carolina Board of Architectural Examination and Registration, appointments to, 464.
- North Carolina Board of Barber Examiners, appointments to, 446.
- North Carolina Board of Boiler Rules, appointments to, 468.
- North Carolina Board of Charities and Public Welfare, appointments to, 461; funds available to, make county units possible, 321; relief funds turned over to, 320; report recommended, 49; services enlarged, 321; to handle relief, 320.
- North Carolina Board of Chiropractic Examiners, appointments to, 460.
- North Carolina Board of Commercial Education, appointments to, 467.
- North Carolina Board of Conservation and Development, appointments to, 280, 280*n*, 448.
- North Carolina Board of Cosmetic Art Examiners, appointments to, 469.
- North Carolina Board of Dental Examiners, appointments to, 460.
- North Carolina Board of Education, adopts salary schedule, 298; reference to, 297, 358, 359.
- North Carolina Board of Elections, appointments to, 455; reports of, recommended, 47; writ of election directed to, 426.
- North Carolina Board of Examiners in Optometry, appointments to, 460.
- North Carolina Board of Health, appointments to, 443; elects Carl V. Reynolds, 311.
- North Carolina Board of Housing, appointments to, 467.
- North Carolina Board of Osteopathic Examination and Registration, appointments to, 457.
- North Carolina Board of Pharmacy, appointments to, 456.
- North Carolina Board of Photographic Examiners, appointments to, 468.
- North Carolina Board of Vocational Education, appointments to, 455.
- North Carolina Budget Bureau, debit balance of, includes receivables, 278; praised, 38; prescribes accounting system, 290; requested to establish temporary position, 427.
- North Carolina Building and Loan League, governor addresses, 152.
- North Carolina Bureau of Personnel, absorption by Executive Department recommended, 11.
- North Carolina Capitol Centennial Commission, appointments to, 468.
- North Carolina Commission for the Blind, appointments to, 468.
- North Carolina Commission on Uniform Laws, appointments to, 465.
- North Carolina Cotton Growers Co-operative Association, appointment to board of, 445.
- North Carolina Department of Agriculture, aid to be enlisted in tobacco crisis, 224; appropriation for, 356; referred to, 421.
- North Carolina Department of Conservation and Development, put on efficient basis, 38.
- North Carolina Department of Public Health, receives 25 per cent of bureau costs, 139.
- North Carolina Department of Revenue, expects increase in sales tax returns, 284; functions increased, 290; importance of, 291; reorganized, xii, 37, 289 *ff*; tabulates tax reductions, 284*n*.
- North Carolina Education Association, to mark centennial, 428.

- North Carolina Federation of Labor, requests change in textbooks, 358.
- North Carolina Federation of Women's Clubs, governor addresses graduates of night schools conducted by, 92.
- North Carolina Firemen's Association, notes substandard buildings, 87.
- North Carolina Highway and Public Works Commission, appointments to, 274, 465; cuts cost of maintenance, 152; every section of State represented on, 275; Luther Hodges resigns from, 400; not permitted to use surplus, 368; organized, 425; resolves to create temporary position, 427; to complete details for acquiring causeway, 299.
- North Carolina Highway Commission, appointment of special officers, 460; approves East Carolina road, 301; consolidated with Prison Department, 426.
- North Carolina Historical Commission, appointments to, 456.
- North Carolina Home and Industrial School for Girls, appointments to board of, 445.
- North Carolina Industrial Commission, appointments to, 446; members of, attend conference, 310*n*.
- North Carolina Library Commission, appointments to, 447.
- North Carolina Licensing Board of Contractors, appointments to, 444.
- North Carolina Motor Vehicle and Inspection Board, appointment of governor's representatives on, 471.
- North Carolina Orthopedic Hospital, appointments to board of, 452.
- North Carolina Parks Commission, appointments to, 447; appointments to investigation and auditing committee of, 447.
- North Carolina Planning Board, appointments to, 471.
- North Carolina Railroad Company, appointments to board of, 457.
- North Carolina Real Estate Board, appointments to, 446.
- North Carolina Rural Electrification Authority, appointments to, 472.
- North Carolina School Commission, adopts salary schedule, 298; appointments to, 444; raises teachers' salaries, 314*n*.
- North Carolina School for the Blind and Deaf, appointments to board of, 452.
- North Carolina School for the Deaf, appointments to board of, 453.
- North Carolina Society at Washington, governor addresses, 193, 334*n*.
- North Carolina Society for the Preservation of Antiquities, Ehringhaus speaks before, xxi.
- North Carolina State Art Society, Incorporated, appointments to board of, 445.
- North Carolina State College Extension Division, drafted to handle cotton acreage reduction campaign, 69.
- North Carolina State Hospital for the Insane at Goldsboro, appointments to board, 451.
- North Carolina State Hospital for the Insane at Morganton, appointments to board of, 450; appointments to visiting and consulting staff, 450.
- North Carolina State Hospital for the Insane at Raleigh, appointments to board of, 450.
- North Carolina Textbook Commission, reference to, 358.
- North Carolina Textbook Purchase and Rental Commission, appointments to, 474; governor issues statement about, 317.
- North Carolina Thrift Society, appointments to, 474.
- North Carolina Unemployment Compensation Commission, appointments to, 462.
- North Carolina Utilities Commission, appointments to, 467; lowers rates, 432; new setup of, praised, 38; organized, xiv; referred to, 318, 420, 421.
- North Carolina Veterinary Examining Board, appointments to, 461.
- North Carolinians, governor salutes, 156.
- Norton, Caroline, quoted, xv.
- Nunn, R. A., appointment of, 458.

## O

- Oates, John A, appointment of, 444.



O'Berry, Thomas, attends conference, 310*n*.  
 O'Berry, Mrs. Thomas, appointment of, 475; approves financing of rural electrification survey, 390; successor named, 457*n*.  
 O'Bryan, L. A., demands building code, 296*n*.  
 Occupational diseases, included in Workmen's Compensation Law, 185.  
 Odum, Howard W., appointment of, 471, 472, 475; on rural electrification commission, 390.  
 Oglesby, John M., death of, 473*n*; opposes parole, 316; successor appointed, 332.  
 Oil companies, asked to confer on price differences, 377; telegram to, 377.  
 Oil industry, described as unprofitable, 375; problems of, described, 374.  
 Oklahoma, North Carolina's gasoline comes from, 373.  
 Old age pensions, filibuster against, 180; to be provided for, 186.  
 Olive, W. H., successor named, 461*n*.  
 Orange County, taxes analyzed, 150; tests rural electrification, 391.  
 Overproduction of tobacco, cause of crisis, 250.  
 Oxendine, W. D., appointment of, 449.  
 Oxford Orphan Asylum, appointments to board of, 456.

P

Page Trust Company, audit of, requested, 343.  
 Palatines, referred to, xxii.  
 Pantan, H. D., appointment of, 472.  
 Parent-Teachers Association, seeks to extend membership, 82.  
 Parent-Teacher Week, governor proclaims, 82; statement about, 281.  
 Parham, Ben W., appointment of, 456; successor appointed, 445*n*.  
 Park, Charles B., successor named, 459*n*.  
 Park, John A., appointment of, 468; sends birthday greetings to President, 355.  
 Parker, E. S., Jr., appointment of, 444; death of, 445*n*.  
 Parker, Haywood, appointment of, 271.  
 Parker, W. W., successor named, 461*n*.  
 Park to Park Scenic Highway Committee, appointment of, 282.  
 Parole Commission, appointment of, 470; governor issues statement about, 335; improvement in, 431; record of, 317; work of, praised, 38.  
 Paroles, appointments to advisory board of, 464.  
 Parrott, James Marion, biographical sketch of, 306*n*; governor pays tribute to, 138; statement on death of, 306.  
 Parrott, Mercer C., appointment of, 452; resigns, 281, 453*n*.  
 Parrott Memorial Hospital, founding of, 306*n*.  
 Paschall, George W., successor appointed, 451*n*.  
 Pasquotank County, taxes analyzed, 158; tax relief in, 353.  
 Pate, Edwin, appointment of, 444.  
 Patriotism, address on, 140.  
 Patriotism for state, formerly above that for the Nation, 102; governor urges, 101, 103.  
 Patterson, J. F., appointment of, 452; successor named, 453*n*.  
 Patton, Olive, appointment of, 448.  
 Paul, A. Y., successor named, 465*n*.  
 Payne, Mrs. Max, appointment of, 446.  
 Peele, Herbert, appointment of, 458.  
 Pembroke, North Carolina, appointment of town officers, 464; building program aids Indian School at, xiv.  
 Penn, Mrs. Jefferson, appointment of, 445; successor appointed, 445*n*.  
 Pennsylvania, pays gas, oil and coal taxes collected throughout Nation, 175.  
 Perkins, Frances, governor commends, 179, 182, 190.  
 Perquimans County, tax relief shown, 160.  
 Perry, George, advises governor on tobacco control possibilities, 216; asked to aid in potato situation, 364; commends governor, 223; letter to, 364.  
 Peschau, George L., appointment of, 470.  
 Peters, C. H., appointment of, 460.  
 Phifer, E. W., appointment of, 450.  
 Phillips, Guy B., appointed delegate, 305; letter to, 395.



- Phillips, J. Dixon, appointment of, 451.
- Pickard, D. L., appointment of, 470.
- Picketing, governor cites definition of peaceful methods of, 304.
- Pisgah National Forest, scenic highway traverses, 385.
- Pittman, W. H., appointment of, 470.
- Pitts, Oscar, appointment of, 460.
- Plan and Prosper Campaign, fourfold activity of, 113; governor outlines, 111 ff, 208 ff.
- Pless, J. Will, Jr., appointment of, 472; resigns, 473*n*.
- Poe, Clarence, appointment of, 271, 471, 472; heads rural electrification commission, 390; letter to, 416; telegram from, 361.
- Poindexter, C. C., appointment of, 460.
- Poole, W. E., appointment of, 463.
- Potato Association of America, provided information, 337.
- Potato growers, asked to withhold part of crop, 299; concerned with fertilizer prices, 393; face loss, 361; governor interested in relief of, 304; governor pleads for, 406; starch factory would help, 411, 412; threatened with loss, 299; will not be overlooked, 407.
- Poteat, Edwin McNeill, appointment of, 461, 473.
- Poteat, William Louis, appointment of, 292, 454, 467; declines appointment, 467*n*.
- Pou, Edward W., death of, 426, 473*n*.
- Pou, George Ross, does not desire chairmanship, 274; former superintendent of State Prison, 274*n*; to act as superintendent of prison division, 274; to be executive director of new State Highway and Public Works Commission, 274.
- Pou, James H., warns governor of the nature of his office, x.
- Powell, Charles G., appointment of, 462, 470; resigns, 471*n*; signs proclamation, 65, 66, 67, 68, 69, 70, 72, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87.
- Powell, Gilbert E., appointment of, 458, 462.
- Powell, Walter H., appointment of, 444, 452; attends conference, 310*n*; declines appointment, 453*n*; resigns, 445*n*; successor named, 455*n*.
- Power companies, tax rates investigated, 346.
- Pratt, Joseph Hyde, asked to further rural electrification, 390.
- Price, Julian E., appointment of, 454, 473.
- Price, R. E., appointment of, 466.
- Price wars, justified by oil representative, 375.
- Prison Department, consolidation with Highway Department is a financial improvement, 36; consolidation with Highway Department recommended, 11; merged with Highway Department, 274, 426.
- Prison system, becomes self-supporting, 195; governor announces survey of felons in, 336; improvements made in, xiii.
- Private secretary to governor, appointment of, 470.
- Proctor, C. K., appointment of, 468; successor named, 457*n*.
- Production planning, urged for individual farms, 115.
- Property, labor benefits from relief of, 188; relieved of support of highways, 157; relieved of support of schools, 158; relieved of taxation, 198, 402, 430; revaluation of, 157; see, also, Real Estate.
- Property owners, relieved, 352.
- Property tax, lack of income from, imperils school system, 126; movement to relieve, 170; North Carolina citizens relieved of, 128; not a sound basis for support of schools, 130; relieved by sales tax, 147, 156; supports local and state governments, 170.
- Propst, Roy C., appointment of, 454.
- Pruden, W. D., appointment of, 324, 447.
- Public expenditures, Hoover criticizes volume of, 233.
- Public Works Administration, awaits funds, 369.
- Purcell, Emily, appointment of, 469; successor named, 469*n*.

## Q

- Quattlebaum, Paul, quoted on tobacco sign-up, 248; wires governor, 261.

R

- Ramsey, Claude S., letter to, 413.  
 Randolph, John P., appointment of, 282.  
 Randolph County, taxes analyzed, 150.  
 Randolph County Board of Election, writ directed to, 426.  
 Raoul, Thomas W., appointment of, 466.  
 Raspberry, E. A., appointment of, 446.  
 Rawley, Joseph P., appointment of, 448.  
 Ray, R. R., appointment of, 452.  
 Real estate, unreliable source of tax income, 154.  
 Reid, Mrs. Gordon, appointment of, 472.  
 Relief, necessity of, in depression, 232.  
 Republican administration, responsible for economic conditions, 229.  
 Republicans, approve amendments, 333.  
 Resettlement, reference to, 321.  
 Revenue Department, appointment of commissioner of, 470; low cost of collection of revenue in North Carolina, 198; reorganized, 402.  
 Revolutionary history, Albemarle events of, described, xxiii.  
 Reynolds, Carl V., election of, 310.  
 Reynolds, R. R., appointment of, 282.  
 Reynolds, Mrs. W. N., appointment of, 445.  
 Richmond, Virginia, has lower gasoline delivery cost, 372.  
 Riddle, Harry, appointment of, 450.  
 Riddle, J. B., appointment of, 450.  
 Ridings, C. O., appointment of, 472.  
 Ritchie, Arthur A., appointment of, 469; successor named, 469*n*.  
 Rives, E. Earle, appointment of, 462.  
 Roberts, Coleman W., appointed delegate, 297.  
 Robertson, Reuben B., Jr., appointment of, 282, 455, 466, 471.  
 Robinson, John D., successor appointed, 451*n*.  
 Robinson, John M., appointment of, 466.  
 Rodgers, Richard S., appointment of, 467.  
 Roland, H. M., appointment of, 474.  
 Rollins, D. R., appointment of, 460.  
 Roman gladiators, referred to, 32.  
 Rondthaler, Howard, appointment of, 474; successor named, 453*n*.  
 Roosevelt, Franklin D., appointment of representatives to inauguration of, 271; closes banks, 135, 295; combines Jacksonian and Jeffersonian characteristics, 201; criticised by Herbert Hoover, 228; does not expect blind allegiance, 253; election of, fortunate event, 227; fails to answer Hoover's letter, 228; governor appeals to, 222; governor asks money of, for tobacco farmers, 255; governor introduces, 268; governor sends birthday greetings to, 355; governor urges support of, 66, 69; institutes National Recovery Administration, 276; is conservationist, 76; leads Nation in economic crisis, 101, 103; letter from, 345, 369, 392; letter to, 342, 355, 389; obligated to Ehringhaus, xv; quoted, 202; referred to, 15, 276, 296, 311, 330; resolution supporting, 425; similarity of Ehringhaus and Oliver Max Gardner to, xv; telegram to, 396, 408, 421; telegram to, quoted, 410; works strenuously, 341.  
 Roosevelt, Theodore, criticizes Woodrow Wilson, ix.  
 Rose, Charles G., appointment of, 456.  
 Rose, Ira W. successor named, 457*n*.  
 Rose, T. B., Jr., appointment of, 454.  
 Rose Bowl, contenders eliminated, 193.  
 Roulette, Thomas M., appointment of, 457.  
 Rowe, Thomas W., appointment of, 447.  
 Royal, Ben F., appointment of, 468.  
 Royster, D. W., appointment of, 457.  
 Royster, Thomas, appointment of, 466.  
 Ruark, J. W., appointed delegate, 323.  
 Ruffin, W. H., appointment of, 468.  
 Rural Electrification, appointments to committee on, 472; early start of program in North Carolina, xiii; extended, 431; first bill not passed, 253; governor endorses bills for, 57; governor takes lead-

- ership in, xv; governor works for, 389 *ff*; state makes progress toward, 209.
- Rural high school system, Ehringhaus assists in establishing, 98.
- Rural schools, saved from collapse, 126.
- Russ, C. C., appointment of, 474.
- Russ, W. M., appointment of, 444.
- S
- Safety regulations, important aid to labor, 177.
- St. George, R. C., appointment of, 469.
- Sales tax, accepted as emergency measure, 95; advantages of, 23, 127; collections tabulated by counties, 293; continuation of, recommended, 54; defended, 351*n*; governor answers criticism of, 146 *ff*, 155; governor defends, 159, 356; governor issues statement on, 284 *ff*; governor tells necessity for, 164; helps balance budget, 171; imposition unavoidable, 106; need of, discussed by governor, 22 *ff*; new division to handle, 290; not limited to North Carolina, 102; objections to, come from those who collect, 29; only tax added by North Carolina, 103; paid uncomplainingly, 95; produces twenty-five per cent of general fund, 145, 156; provides thirty per cent of revenue, 54; referred to, 373; restores North Carolina's credit, 106, 352; saves North Carolina schools, 136; savings to counties shown, 285; should be emergency measure, 30; sixty-five per cent of, spent for schools, 147; solves problems of North Carolina, 171.
- Salmon, Neill McK., appointment of, 452.
- Sample, J. Harry, appointment of, 455.
- Sampson, E. B., appointment of, 449.
- Sampson, James A., appointment of, 449.
- Sanderson, Richard, first assembly in North Carolina held on plantation of, xxii.
- Sawyer, W. W., appointment of, 446.
- Schaub, I. O., appointment of, 445; questioned, 250; reference to, 224, 246, 253; to direct committee, 255.
- Schenck, Michael, appointment of, 472; resigns, 473*n*.
- School Book Commission, report studied, 42; see also Textbook Commission.
- School curriculum, improvement recommended, 42.
- School program, altered by economy, 98.
- Schools, asked to observe Arbor Day, 76; governor sincerely interested in, 395; labor's greatest benefit, 187; not closed in North Carolina, 151; responsibilities of, address, 97.
- School system, economy possible in, 13; faces collapse, 171; governor answers criticism of, 105; governor praises improvements in, 105; imperilled by financial difficulties, 126; improvements in, xii, xiii, 99; increase of appropriation for, recommended, 40; merits of, 40; North Carolina assumes support of, 127, 198, 402, 430; North Carolina preserves, 352; obligation to, arises from constitution, 24; provision for, recommended by governor, 27; saved by sales tax, 161; should be last economy, 13; supported by sales tax, 156; threatened by lack of revenue, 25, 26; to be equalized as between city and country, 29; would suffer most in elimination of sales tax, 357.
- School transportation, high safety record of, 199.
- School transportation facilities, governor answers criticism of, 106.
- Scott, Don E., appointment of, 443.
- Scott, George G., assists in survey, 290; to direct Division of Accounts and Records, 291.
- Scott, John M., declines appointment, 451*n*.
- Scott, W. Kerr, appointment of, 472.
- Seaman, Ernest V., appointed delegate, 305.
- Seawell, A. A. F., appointment of, 465, 471; hears conversations, 322; invited to conference, 309.
- Seawell, Mrs. H. F., appointment of, 461.



- Secretary of State, appointment of, 470.
- Seely, Fred L., appointment of, 467; resignation rumored, 318.
- Sentelle, R. E., appointment of, 464.
- Shannonhouse, J. G., successor appointed, 447*n*.
- Share planting, dangerous to potato farmers, 362, 363.
- Shaw, A. M., appointment of, 454.
- Shaw, Cornelia, appointed delegate, 324.
- Shaw, Easdale, appointment of, 271.
- Shaw, Thomas J., governor acts upon petition of, 316.
- Shaw University, accomplishments of, 108; governor makes address on Founder's Day at, 108.
- Sheffield, C. A., aids compilation of statistics, 117; appointment of, 472; on rural electrification commission, 390.
- Shepard, Norman C., appointment of, 458; successor named, 459*n*.
- Shields, J. M., appointment of, 475.
- Shoemaker, Murray M., heads National Committee on Uniform Laws, 465*n*.
- Sholtz, David, letter from, 392.
- Shuford, W. M., appointment of, 453.
- Shumaker, Ross E., appointment of, 464.
- Shute, J. Ray, appointed delegate, 324.
- Sigmon, Ross M., appointment of, 274, 465, 468; successor appointed, 447*n*.
- Sikes, John C., resigns, 455*n*.
- Simpson, R. E., appointment of, 456.
- Sinclair, Mrs. Ethel, appointment of, 469.
- Sinclair, N. A., governor acts upon petition of, 317.
- Sitterson, S. C., successor appointed, 453*n*.
- Skinner, John L., appointment of, 462, 473.
- Slaughter, R. B., appointment of, 470.
- Small, John H., Jr., appointed delegate, 305.
- Smith, Alfred E., Ehringhaus campaigns for, xvi.
- Smith, B. L., chairman of committee, 84.
- Smith, B. R., appointment of, 450.
- Smith, E. D., introduces bill, 220; joins in invitation, 348.
- Smith, Gordon, appointment of, 460.
- Smithdeal, C. C., successor appointed, 447*n*.
- Smithey, L. L., appointment of, 469; successor named, 469*n*.
- Social security, governor has no quarrel with Hoover about, 237; message concerning, 58; misunderstanding about, 321.
- Social security act, becomes Federal law, 59; requirements clarified, 414.
- Social security legislation, history of, in North Carolina, 59 *ff*.
- Social security program, established in North Carolina, xiii.
- Soil Conservation, funds must be allocated for, 409; measures suggested as aid in tobacco control, 221; program urged in place of tobacco control, 323*n*; resolution concerning, 429.
- Solicitors, appointment of, 472.
- South, the, slow to enact labor legislation, 183.
- South Carolina, compacts dead in, 260; contribution to education, 211; coöperates in agricultural efforts, 209; has ineffectual tobacco sign-up, 248; limits tobacco control law, 259; must join in tobacco control, 214; out of compact picture for year, 260, 262; planting under way in, 257, 260; referred to, 322, 323, 326, 331; telegram to governor and commissioner of agriculture of, 410.
- Southern Railroad, bottles up Wilmington, 371.
- Spanish American War fund, ruling on, 397*n*; will be paid if legally possible, 399.
- Spears, Marshall T., appointment of, 319, 472.
- Special judges of the Superior Court, appointment of, 443.
- Special message to General Assembly, 31.
- Special session, governor discusses advisability of, 219 *ff*, 212 *ff*; governor will call if practical, 219, 220, 225; power of, should be determined before summoning, 213; proved useless, 262.
- Spence, B. F., honored by governor, 141.



- Spence, Talmadge T., appointment of, 457.
- Spence, U. L., appointment of, 446.
- Spikes, L. E., appointment of, 474.
- Spilman, Mrs. J. B., appointment of, 462.
- Splude, T. C., appointment of, 460.
- Spruill, F. P., appointment of, 444.
- Spruill, J. F., appointment of, 454, 464.
- Sprunt, W. H., appointed delegate, 323.
- Standard Oil Company of New Jersey, fails to earn dividends, 375.
- Stanford, W. R., appointment of, 450.
- Stansbury, George L., appointment of, 463.
- Stars and Bars, love of, should be united with love for United States Flag, 146.
- Stars and Stripes, governor honors, 146.
- State Bankers Convention, governor addresses, 93.
- State Emergency Relief Administration, asked to further rural electrification, 390.
- State employees, perform sacrificial service, 39; rewarded, 274; salaries increased, 199, 403; salaries paid before Christmas, 123.
- State Employment Service, appropriation made for, 188.
- State government, caught between local and national demands, 173; closer to individual, 94; cost of, decreased, 95; cuts expenses to relieve tax-payers, 103; deserves coöperation, 96; functions of, cannot be separated, 153; governor asks coöperation with, 102; governor tells experiences of, 169; has same problems as Federal government, 94, 103.
- State hospitals, building program aids, xiv.
- State institutions, should be provided for, 43.
- State insurance fund, consideration of, recommended, 49.
- State Literary Fund, put on sound basis, xii.
- State officers, governor sends season's greetings to, 288.
- State Owned Gasoline Terminal Commission, appointments to, 466.
- State School Board, recommended set up for economy, 27.
- State Song, sung fully at Elizabeth City, 141.
- Stedman, Frank H., appointment of, 454.
- Stell, Harry, appointment of, 468.
- Stern, Sidney J., appointment of, 444.
- Sternberger, Mrs. Meyer, appointment of, 468.
- Stevens, Henry L., successor named, 455*n*.
- Stevens, Luke L., appointment of, 455.
- Stevens, M. L., appointment of, 466.
- Stevens, W. E., appointment of, 444.
- Stevenson, M. D. W., successor named, 459*n*.
- Stillwell, Erle G., appointment of, 464.
- Stokes, Charles G., murdered, 314*n*.
- Stone, H. E., asks governor to write on public service careers, 366; letter from, 365; letter to, 370.
- Stone, J. W., appointment of, 448.
- Stoner, P. G., appointment of, 470.
- Stonewall Jackson Manual Training and Industrial School, appointments to board of, 454; building program aids, xiv; receives incorrigible boys, 379.
- Stowe, James P., appointment of, 443.
- Street, Mrs. Robert, appointment of, 454.
- Strikes, governor issues statement on, 302; participants and non-participants to be protected, 381; violence reported in connection with, 303.
- Strosnider, C. F., successor appointed, 453*n*.
- Stumpy Point-Mann's Harbor road, project approved, 301.
- Sullivan, W. H., appointment of, 466.
- Summersill, Ed. W., appointment of, 460.
- Superintendent of Public Instruction, appointment of, 475.
- Superior Court, appointment of judge of, 472.
- Supreme Court, appointment of associate justices, 472; defines peaceful picketing, 304; governor regrets decision of, 263.
- Surry County, appointment of judge of recorder's court, 470; appointment of officers for, 475; has lime deposit, 420.

Sutton, Fred, successor named, 459*n*.  
Sutton, W. C., appointment of, 452.

T

Tapp, J. W., letter from, 354.  
Tariff, effect of bill raising, described, 235.  
Tate, W. C., appointment of, 450.  
Tax dollar, disposition of, between state, national, and local governments, 173; division of, 139, 144, 356.  
Taxes, equal distribution sought, 199.  
Taxpayers, pay in installments, 284.  
Taylor, Charles E., appointment of, 463.  
Taylor, J. Allen, appointment of, 463, 473; successor named, 463*n*.  
Taylor, R. E., appointment of, 461.  
Taylor, R. R., appointment of, 448; 454.  
Taylor, Tyre C., appointment of, 271.  
Teach, Edward, career of, lends romance to Albemarle region, 131*n*.  
Teachers, fictitious schedule cannot increase Federal funds for salaries, 297; governor desires increase in salaries of, 138; paid in cash, 402, 430; paid promptly, 128, 138; reason for decrease in salaries, 396; salaries raised by School Commission, 314*n*; salaries too low, 40.  
Teague, Lewis E., appointment of, 475.  
Tennent, G. S., appointment of, 451.  
Tennessee, already has entrance to Great Smoky Mountains National Park, 382; citizens of, plead for prisoner, 312; Federal government has large investment in, 387; governor of, proclaims tobacco marketing holiday, 74; reference to, 322, 384; representatives of, leave conference, 326; telegram sent to governor and commissioner of agriculture of, 410.  
Tenth Judicial District, appointment to, 319.  
Terry, J. R., appointment of, 446.  
Texas, bears majority of its school burden, 109; North Carolina's gasoline comes from, 373.

Textbook rental system, benefits labor, 187; thought to be first state system, 199.  
Textbooks, free provision of, needed, 43; rented by State, 430.  
Textile industry, complies with National Recovery Administration codes voluntarily, 189; first to adopt National Recovery Administration code, 404.  
Thanksgiving Day, governor proclaims, 73, 86, 88.  
Thomasville, North Carolina, appointments to recorder's court, 469.  
Thompson, Fred N., appointment of, 444.  
Thompson, J. Faison, successor named, 453*n*.  
Thompson, O. S., to be executive secretary of State Board of Assessment, 291.  
Thompson, W. A., successor named, 453*n*.  
Thorne, S. T., successor named, 457*n*.  
Tiddy, Edward, appointment of, 472.  
Tillett, Mrs. C. W., Jr., appointment of, 271, 450, 469; declines appointment, 451*n*.  
Tillett, Mrs. D. Howard, appointment of, 448.  
Tobacco, bulk of North Carolina's Federal contributions comes from, 175; can be sold in non-compact states, 243; contribution of, to Federal government, 409, 411; Federal taxes on, in North Carolina, 223; North Carolina produces five-sevenths of flue-cured variety, 175; stocks high, 219.  
Tobacco, burley, crisis in marketing, 74; hearing to be held on, 75.  
Tobacco compacts, governor asks information on passing of, 403; meeting concerning 405; thought to be useless unless Congress acts, 219.  
Tobacco companies, will lower price, if possible, 245.  
Tobacco control, benefits listed, 104; continuation of, urged, 105; governor discusses, 212 *ff*, 238; governor urges, 72, 104; governor's plan for, 254; necessary, 221; resolutions concerning, 429; steering committee finds impossible, 323.

- Tobacco control model law, governor distributes copies of, 239; governor issues statement about, 322; governor points out defects in 263; governor urges publication of, in full, 256; ineffectual, 258; is emasculated act, 266; provides no control, 241; would kill crop control, 257.
- Tobacco farmers, benefit from work of governor, 394; call for tobacco warehouse holiday, 71; cannot be bluffed, 247; contract drawn for, 224; danger confronts, 219; demand special session, xix, 238*n*; desire referendum, 389; governor aids, 432; governor addresses, 238 *ff*; governor criticises leaders of, 260; governor pleads for, 329, 408, 421; governor seeks parity for, 379; governor urges support of, 411; governor will coöperate with, 347; North Carolina, deserve same treatment as in Georgia, 261; price changes weigh most heavily on, 175; protest low prices, 348; radio address to, 258; seek fair return, 347; should not lower North Carolina's quota unless other states do, 244; urged to cut crops, 256; urged to join sign-up, 287; urged to participate in soil conservation and crop reduction, 268; voluntary sign-up ineffectual, 323*n*.
- Tobacco growers, Western Carolina, request coöperation, 74.
- Tobacco marketing holiday, called by Ehringhaus, xiv, 74, 347.
- Tobacco sign-up, governor urges, 287; useless if undertaken too late, 217.
- Tobacco taxes, reduction of, should be properly divided, 361.
- Toll bridges, elimination of, recommended, 45.
- Tonissen, Ed, appointment of, 458.
- Townsend, Mrs. N. A., successor named, 457*n*.
- Tri-City Trades Council, case of, cited, 304.
- Troutman, D. A., appointment of, 469.
- Tucker, Harry, appointment of, 297, 466.
- Tucker, Irvin B., appointment of, 271.
- Tudor, George C., successor named, 459*n*.
- Tyner, Roy, appointment of, 464.

## U

- Umstead, W. B., telegram to, 408.
- Underwood, U. A., appointment of, 444.
- Unemployment, highway activity planned to alleviate, 55; national figures on, 232.
- Unemployment compensation, need of, studied, xiii; recommended to General Assembly, 47; report on quoted, 59; requirements clarified, 414.
- Unemployment Insurance, committee appointed to study, 300, 462.
- Unemployment Insurance law, complies with Federal statute, 186; provision made for, 180.
- United Bank and Trust Company, audit of, requested, 43, 343.
- United Daughters of the Confederacy, approves textbook, 359.
- United States, not bound by agreements between states, 384; sections of, unite to solve problems, 181.
- United States Department of Agriculture, confident of victory for Agricultural Adjustment Administration, 262; considers interstate curb necessity, 265; control bill of, discussed by governor, 239 *ff*; coöperation of, asked, 267; favors large tobacco crop, 252; governor pleads for fair tobacco law before, 329; has appropriation for soil conservation, 225; indicates need to curb interstate tobacco shipments, 325; introduces no tobacco control measures, 220; mistake of, 409; proposes resolution, 330; reference to, 264, 405, 421; requests curb of interstate movement of tobacco, 264; slow to act in tobacco emergency, 215; would prevent interstate movement of tobacco, 243, 244.
- United States Department of Justice, will do more for states, 166.
- United States Government, aids property owners, 78; imposes sales tax, 253; originally dubious



about compacts, 217; urges tobacco control, 72.

United States Office of Education, sponsors education week, 80, 85.

University of North Carolina, advised to abandon efforts to obtain fund, 399; committee appointed to represent, 271; remainder of war fund escheats to, 397.

V

Vanatta, Earl S., appointment of, 472.

Vance County, governor calls upon sheriff of, 315.

Vance County Board of Election, writ directed to, 426.

Vandenburg, Arthur H., book written by, 238.

Vann, John C. M., appointment of, 443.

Van Winkle, Kingsland, appointment of, 458.

Varser, L. R., appointment of, 466; resigns, 461*n*.

Vaughan, W. R., appointment of, 454.

Vernon, J. W., appointment of, 450.

Veterans' Loan Fund, protection of, recommended, 50.

Virginia, contribution to education, 211; ends voluntary sign-ups, 255; legislature of, changes tobacco bill, 239; must join in tobacco control, 214; outside controls for 1936, 262; potato crisis affects, 364; referred to, 323, 326, 331, 384; requires effectual tobacco sign-up in Georgia, 248, 249; should limit potato acreage, 337; stipulations of tobacco control bill, 215; telegram to governor and commissioner of agriculture of, 410

W

Wade, Stacey W., appointment of, 459; attests writ of election, 427; letter to, 418; reference to, 400; resignation accepted, 418; resigns, 471*n*.

Wake County, tax burden decreased in, 284.

Wake County Board of Election, writ directed to, 426.

Walker, N. W., appointment of, 475; death of, 475*n*.

Walker, Robert N., appointment of, 460.

Wallace, C. S., appointed delegate, 323.

Wallace, F. E., appointment of, 459; successor named, 459*n*.

Wallace, Henry A., actions of, in tobacco crisis, 251; approves peanut code, 354; asked to intercede in potato crisis, 299, 362, 363; asked to look into tobacco situation, 71; drafts extension division at State College to handle cotton acreage reduction campaign, 69; letter to, 362; potato crisis brought to attention of, 364; reference to, 253, 348; refuses to put potato bill into effect, 254; sends tobacco proposals to Congress, 264; suggests amendments, 325, 326; telegram to, 347, 361.

Ward, D. L., appointment of, 466.

Ward, D. L., Jr., appointment of, 448.

Ward, Govan "Sweat," hanged by mob, 314*n*.

Ward, Mrs. Vernon A., successor appointed, 451*n*.

Warehousemen, aid to be enlisted in tobacco crisis, 224.

Warlick, John D., appointment of, 459.

War of 1812, reference to, 200.

Warren, Edward, mentioned, 131*n*.

Warren, Jule K., appointment of, 452, 466; resigns, 453*n*.

Warren, Lindsay C., calls potato conference, 304; concerned about potato crisis, 363; telegram to, 408.

Washington, bears half of school burden, 199.

Washington, Tom, successor appointed, 451*n*.

Waste acreage, use of, outlined, 116.

Watt, Lawrence, appointment of, 464.

Way, Luther B., order to be presented to, 281.

Waynick, Capus M., appointment of, 427, 465, 471; letter to, 420.



- Weathers, Carroll W., appointment of, 452.
- Weathers, Lee B., successor appointed, 449*n*.
- Weaver, D. S., to head survey, 390.
- Webb, Ernest V., appointment of, 446, 452, 466.
- Webb, Paul, appointment of, 458; resigns, 459*n*.
- Webb, Thomas H., appointment of, 458.
- Webb, W. M., successor named, 459*n*.
- Weil, Gertrude, appointment of, 460.
- Weil, Lionel appointment of, 473, 474; telegram from, 361.
- Weinstein, Robert, appointment of, 454.
- Western North Carolina Sanatorium for Tuberculosis, appointments to site committee, 446; gets part of contingency and emergency fund, 314*n*.
- Western North Carolina Teachers College, appointments to board of, 448.
- West Virginia, bears majority of school burden, 199; telegram to governor and commissioner of agriculture of, 410.
- Whedbee, Charles, appointment of, 271, 274, 465; invited to conference, 309; resigns, 465*n*.
- Whichard, Murray P., appointment of, 443.
- Whitaker, R. A., appointment of, 458; successor named, 459*n*.
- White, A. McLaren, appointment of, 471.
- White, Mrs. Ed. T., appointment of, 450.
- White, R. B., appointment of, 464.
- White, W. C., appointment of, 460.
- White, W. H., successor named, 457*n*.
- White, Willie, sentence commuted, 317.
- Whitford, Mrs. John D., successor named, 455*n*.
- Whitley, L. G., appointment of, 460.
- Whitney, M. C., appointment of, 446.
- Wilkesboro, North Carolina, suggested trade center for turkeys, 119.
- Williams, Warren R., appointment of, 452.
- Williamson, Annie Laurie, appointment of, 469.
- Willis, Meade H., appointment of, 462.
- Wilmington, has little influence on rates, 371.
- Wilson, Mrs. A. R., appointment of, 474.
- Wilson, C. M., successor named, 453*n*.
- Wilson, H. L., appointment of, 453.
- Wilson, J. Lee, appointment of, 470; successor named, 471*n*.
- Wilson, Robert L., appointment of, 460.
- Wilson, T. A., appointment of, 301, 446, 462.
- Wilson, Woodrow, criticised by Theodore Roosevelt, ix; Jeffersonian type, 201; proclaims first Mothers' Day, 68; reference to, 232.
- Winant, John G., letter from, 414; quoted, 321.
- Winborne, J. W., governor answers letter to, 397.
- Winborne, Stanley, appointment of, 467, 471; associates of, appointed, 292; letter to, 345; urged to investigate power values, 345.
- Winslow, J. E., agrees to large tobacco crop, 250; presides at farm meeting, 238*n*; reference to, 239, 248, 251, 253; telegram to, 412.
- Winston, Francis D., appointment of, 460.
- Winston-Salem Journal*, statement of, answered, 297.
- Witherspoon, H. K., appointed delegate, 297.
- Wolf, H. D., appointment of, 300, 462.
- Wood, Julian, appointment of, 465.
- Wood, Word H., successor named, 463*n*.
- Woodard, Graham, appointment of, 451.
- Woodard, W. C., appointment of, 274, 465.
- Woodard, Mrs. Walter, appointment of, 456.
- Woody, W. F., reference to, 397*n*.
- Workmen's Compensation, fluctuating support of, 183, 184; governor recommends provision for, 48; guaranteed by state insurance fund, 188; insurance companies required to provide coverage for, 185.
- Works Progress Administration, reference to, 321, 412.

World War I, develops use of propaganda, 341.

Worthy, Mrs. F. S., appointed delegate, 324; successor appointed, 449*n*.

WPTF, governor thanks, 212, 219, 258.

Wrightsville Beach, appointment of officers for, 463.

Wrightsville Beach Causeway, state acquires, 299, 299*n*.

## Y

Yackety Yack, governor makes statement in, 272.

Yelton, J. H., appointment of, 457.

Young Democrat clubs, appointment of representatives of, on inaugural committee, 271; governor addresses, 200.

Young Democrats, letter to, 416.

Younts, Paul R., appointment of, 443.











